

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,371

Tuesday July 17 1984

D 8523 B

The World Bank: the hobbled giant at a crossroads, Page 12

Austria	Sch. 18	Indonesia	Rp 2500	Portugal	Esc 75
Bahrain	Db. 650	Iraq	1,170	S. Africa	Rp 600
Belgium	Fr. 38	Jordan	1550	Singapore	S\$ 4-10
Canada	C\$7.00	Jordan	105.50	Spain	Pta 100
Cyprus	£ 600	Kuwait	Frs 300	Sri Lanka	Rp 30
Egypt	£ 1,600	Liberia	1,100	Sweden	Sk 6-50
Egypt	£ 1,600	Liberia	1,100	Switzerland	Fr. 7-10
Finland	Fr. 5,50	Malta	Fr. 4-25	Taiwan	Nt 500
France	Fr. 8,00	Mexico	Fr. 300	Tunisia	Db. 6,000
Germany	DM 2,70	Morocco	Fr. 6,00	U.S.A.	Db. 6,000
Greece	Dr. 6,00	Netherlands	Fr. 2,50	Turkey	1,160
Hong Kong	HKS 12	Norway	Fr. 6,00	U.K.E.	Db. 6,00
Italy	Fr. 15	Philippines	Fr. 70	U.S.A.	Db. 6,00

005

NEWS SUMMARY

GENERAL

Hart will 'fight to finish' for selection by GEC

Senator Gary Hart of Colorado refused to concede defeat in his bid for this year's U.S. Democratic presidential nomination, and promised to fight on at the party convention in San Francisco, due to open last night.

Hart said he still expected to win the nomination. He would not exploit indecision demonstrated by Mr Walter Mondale at the weekend over reorganization of the party leadership.

Mondale has well over the paper majority of 1,967 "pledged" delegates needed for victory in Wednesday night's roll-call ballot. Page 14

Egyptian reshuffle

Egypt's Acting Prime Minister Kamal Hassan Ali announced that he would tender his Cabinet's resignation to President Hosni Mubarak, initiating a reshuffle of key Cabinet posts. Officials said a new Cabinet would be sworn in tomorrow. Page 3

S. African riot

South African police used tear gas to disperse black rioters who set up makeshift roadblocks in Tumashole, a township south of Johannesburg. Page 3

Stronger economy

Western Europe's economy is making a recovery that will last for at least 18 months, a symposium of experts sponsored by Time magazine reported.

New government

Luxembourg's Social Christian and Socialist Parties agreed to form a new Government under outgoing Social Christian Finance Minister Jacques Sante, to replace the Grand Duchy's ruling centre-right coalition. Page 2

Israeli strikes

Israeli newspapers failed to appear and workers at the country's largest banks reduced services as pre-electoral labour unrest continued.

Flights halted

Iberia Airlines cancelled 35 domestic and 15 European flights as striking pilots sought to win international support for their month-old strike in pursuit of more jobs and a shorter working week.

Lufthansa deal

A last-minute agreement between Lufthansa and its employees averted a strike that would have caused havoc at West German airports during the peak of the holiday season.

Offices bombed

Four bombs planted by suspected Catalan separatists exploded at government offices in Barcelona, Tarragona and Tortosa, near Valencia. No one was hurt.

Crews sued

Tanzania is to sue the crew of two foreign-registered ships for throwing Tanzanian stowaways into the shark-infested Indian Ocean this year. Six survivors from both ships returned to Dar es Salaam in May. Page 15

Ancient computer

Peasants in Inner Mongolia have found a 3,000-year-old Chinese computing system that uses 20 thin sticks of ivory - probably the oldest calculating instrument in the world - the Peking Review said.

BUSINESS

BAe ends talks on takeover by GEC

BRITISH Aerospace abruptly terminated talks about a possible offer by GEC for the aircraft and weapons group. BAe also estimated pre-tax profits 50 per cent ahead at £55m (£73m) for the half-year to June. Lex, Page 14

DOLLAR weakened in London to DM 2.8255 (DM 2.8305), FF 8,645 (FF 8,705), SwFr 2,384 (SwFr 2,389) and Y240.55 (Y241.5). Its trade-weighted index on Bank of England figures fell to 135.7 from 136.1. In New York it closed at DM2.8315, FF 8,650, SwFr 2,3920 and Y241.15. Page 37

STERLING improved in London to \$1.328 (\$1.3235) and FF 11.49 (FF 11.4975). It declined, however, to DM 3.74 (DM 3.75), SwFr 3.18 (SwFr 3.18) and Y318.75 (Y319.5). Its trade-weighted index was unchanged at 78.2. In New York it closed at \$1.3250. Page 37

Egyptian reshuffle

Egypt's Acting Prime Minister Kamal Hassan Ali announced that he would tender his Cabinet's resignation to President Hosni Mubarak, initiating a reshuffle of key Cabinet posts. Officials said a new Cabinet would be sworn in tomorrow. Page 3

S. African riot

South African police used tear gas to disperse black rioters who set up makeshift roadblocks in Tumashole, a township south of Johannesburg. Page 3

Stronger economy

Western Europe's economy is making a recovery that will last for at least 18 months, a symposium of experts sponsored by Time magazine reported.

New government

Luxembourg's Social Christian and Socialist Parties agreed to form a new Government under outgoing Social Christian Finance Minister Jacques Sante, to replace the Grand Duchy's ruling centre-right coalition. Page 2

Israeli strikes

Israeli newspapers failed to appear and workers at the country's largest banks reduced services as pre-electoral labour unrest continued.

Flights halted

Iberia Airlines cancelled 35 domestic and 15 European flights as striking pilots sought to win international support for their month-old strike in pursuit of more jobs and a shorter working week.

Lufthansa deal

A last-minute agreement between Lufthansa and its employees averted a strike that would have caused havoc at West German airports during the peak of the holiday season.

Offices bombed

Four bombs planted by suspected Catalan separatists exploded at government offices in Barcelona, Tarragona and Tortosa, near Valencia. No one was hurt.

Crews sued

Tanzania is to sue the crew of two foreign-registered ships for throwing Tanzanian stowaways into the shark-infested Indian Ocean this year. Six survivors from both ships returned to Dar es Salaam in May. Page 15

Ancient computer

Peasants in Inner Mongolia have found a 3,000-year-old Chinese computing system that uses 20 thin sticks of ivory - probably the oldest calculating instrument in the world - the Peking Review said.

Washington may freeze nuclear pact with China

BY SIMON HENDERSON AND ALAIN CASSI IN LONDON

THE much heralded nuclear co-operation agreement between the U.S. and China now seems certain to be frozen until at least after the U.S. Presidential elections in November because of growing fears that Peking has supplied Pakistan with help towards nuclear weapons development.

Officials in Washington conceded that it is that factor, and not opposition from Congress, which lies at the heart of the Reagan Administration's reluctance to put the agreement into effect.

The nuclear deal was the centrepiece of President Ronald Reagan's

visit to China this year. Administration officials said at the time that it might result in orders worth \$20bn for Western companies manufacturing nuclear reactors and allied equipment.

Administration officials said in Washington that they were particularly concerned about the presence of a secret Pakistani nuclear facility of Chinese scientists. The U.S. believes that China is trading its experience as a nuclear weapons state against advanced technical know-how illicitly acquired by Pakistan in recent years.

The presence of Chinese officials

at the Kahuta uranium enrichment plant near Islamabad is being monitored closely. It is at that plant that, Western intelligence officials believe, the plans from the Urance plant in the Netherlands stolen by a Pakistani nuclear scientist 10 years ago are being implemented.

In return, some Western officials claim, China has supplied Pakistan with the design of its fourth atomic bomb, exploded in the mid-1960s.

Other reports indicate that China more recently handed over to Pakistan a quantity of highly enriched uranium suitable for use as a nuclear explosive in a few weapons.

U.S. officials have cast doubt on the report, however, saying that China would have much to lose, chiefly U.S. nuclear and other advanced technological assistance, if it indulged in such a blatant act of nuclear proliferation.

What seems certain is that China regards its nuclear co-operation with Pakistan as being of sufficient importance to put at risk at least some elements of its growing relationship with the U.S.

In return, some Western officials claim, China has supplied Pakistan with the design of its fourth atomic bomb, exploded in the mid-1960s.

Peking has been unwilling to give a written pledge on non-proliferation.

China's bureaucrats oppose peasant enterprise. Page 3

Chinese Premier, during an after-dinner toast on his visit to Washington in January, China has not signed the Nuclear Non-Proliferation Treaty (NPT). It has, however, recently joined the International Atomic Energy Agency, the United Nations watchdog on nuclear issues.

Pakistan's continued nuclear weapons programme puts at risk the \$3.2bn U.S. military and economic aid package, the main component of which is 40 F-16 fighter-bombers.

Chinas bureaucrats oppose peasant enterprise. Page 3

Talks open in fresh bid to end Britain's dock strike

By Our London Staff

TALKS began last night in a fresh attempt to end the week-old dock strike in Britain which has paralysed almost all freight movement by sea.

Leaders to the National Association of Port Employers held discussions described as "exploratory" in London with the Government's independent Advisory, Conciliation and Arbitration Service (Acas). Officials of the Transport and General Workers Union (TGWU), which called the strike, will hold separate talks with Acas officials today.

Dockers at Dover and Belfast harbours joined the blockade of freight yesterday. All the 78 ports which come under the registered dock labour scheme and the main other ports are now halted, although passengers and their cars are not being stopped.

The dispute began over the use of non-registered dockers to unload iron ore at the east coast port of Immingham after registered dockers had refused to handle it in support of the miners' strike.

Mr Nicholas Ridley, the Transport Secretary, told the House of Commons yesterday that the Government had no plans to change or abolish the dock labour scheme. But he would not give a commitment "within the life of the present parliament".

The Cabinet met for 1½ hours yesterday to review the dock and coal strikes but it is understood not to have discussed either the declaration of a state of emergency or the use of troops.

The Government appeared anxious to stress that it would not be rushed into the sort of precipitate action which, it was implied, helped to lead to the fall of the Conservative Government in 1974.

The present Government's labour difficulties were yesterday heightened, however, by a High Court ruling that its ban on union membership at its secret communications centre (GCC) at Cheltenham, west England, was "invalid and of no effect".

The banking group said the provision for possible credit losses in the latest period fell by 7.5 per cent to \$259.5m from \$388.8m a year ago.

Non-interest operating income fell to \$132.5m from \$137.5m with foreign exchange trading resulting in a \$12.9m loss in the latest period compared with gains of \$24.1m in the 1983 second quarter.

The banking group said the provision for possible credit losses in the latest period fell by 7.5 per cent to \$259.5m from \$388.8m a year ago.

Non-interest operating income fell to \$132.5m from \$137.5m with foreign exchange trading resulting in a \$12.9m loss in the latest period compared with gains of \$24.1m in the 1983 second quarter.

The banking group said the provision for possible credit losses in the latest period fell by 7.5 per cent to \$259.5m from \$388.8m a year ago.

Non-interest operating income fell to \$132.5m from \$137.5m with foreign exchange trading resulting in a \$12.9m loss in the latest period compared with gains of \$24.1m in the 1983 second quarter.

The banking group said the provision for possible credit losses in the latest period fell by 7.5 per cent to \$259.5m from \$388.8m a year ago.

Non-interest operating income fell to \$132.5m from \$137.5m with foreign exchange trading resulting in a \$12.9m loss in the latest period compared with gains of \$24.1m in the 1983 second quarter.

The banking group said the provision for possible credit losses in the latest period fell by 7.5 per cent to \$259.5m from \$388.8m a year ago.

Non-interest operating income fell to \$132.5m from \$137.5m with foreign exchange trading resulting in a \$12.9m loss in the latest period compared with gains of \$24.1m in the 1983 second quarter.

The banking group said the provision for possible credit losses in the latest period fell by 7.5 per cent to \$259.5m from \$388.8m a year ago.

Non-interest operating income fell to \$132.5m from \$137.5m with foreign exchange trading resulting in a \$12.9m loss in the latest period compared with gains of \$24.1m in the 1983 second quarter.

The banking group said the provision for possible credit losses in the latest period fell by 7.5 per cent to \$259.5m from \$388.8m a year ago.

Non-interest operating income fell to \$132.5m from \$137.5m with foreign exchange trading resulting in a \$12.9m loss in the latest period compared with gains of \$24.1m in the 1983 second quarter.

The banking group said the provision for possible credit losses in the latest period fell by 7.5 per cent to \$259.5m from \$388.8m a year ago.

Non-interest operating income fell to \$132.5m from \$137.5m with foreign exchange trading resulting in a \$12.9m loss in the latest period compared with gains of \$24.1m in the 1983 second quarter.

The banking group said the provision for possible credit losses in the latest period fell by 7.5 per cent to \$259.5m from \$388.8m a year ago.

Non-interest operating income fell to \$132.5m from \$137.5m with foreign exchange trading resulting in a \$12.9m loss in the latest period compared with gains of \$24.1m in the 1983 second quarter.

The banking

EUROPEAN NEWS

Communist group calls for amnesty in Poland

By Christopher Bobinski in Warsaw

THE POLISH Movement for National Rebirth (PRON) a Communist front organisation has called for a broad amnesty for political prisoners.

It is the first public signal of government thinking on the amnesty which is expected to be passed by Parliament next Saturday on the eve of the country's national day and the 40th anniversary of the founding of post-war Communist Poland.

The authorities admit officially to 600 political prisoners, 61 of whom are now of them prominent. Solidarity leaders have already been sentenced. But questions on who exactly will be freed are expected today.

The crucial issue is whether the amnesty will include the four leaders of the KOR dissident movement who went on trial last Friday. The Communist Party poliburo was unable to resolve this issue last week and is expected to discuss it again today.

Some poliburo members, quoting the views of other East European party officials, have apparently been arguing against releasing the four KOR dissidents. Mr Jacek Kuron, Mr Adam Michnik, Mr Zbigniew Romaszewski and Mr Henryk Wujec.

The Catholic church has countered with the view that the effect of the amnesty domestically and on Western public opinion will be lost if the four leaders are not included.

A Warsaw court, meanwhile, has passed sentence in the case of Mr Grzegorz Przemyslak, an 18-year-old schoolboy who died of internal injuries after allegedly being beaten in a police station in May last year.

The court acquitted two policemen on the grounds of a lack of firm evidence, but sentenced two ambulance men to prison terms of 2½ and 2 years for maltreating the boy on the way to the first aid station.

During the six-week-long trial the three judges found them selves wedged between an overwhelming public conviction that Mr Przemyslak had been severely beaten at the police station, and the security apparatus determined to defend its own.

The thrust of the police case was that the ambulance men had been directly responsible for the death. The court dismissed this argument in its verdict, but convicted the ambulance men on the less serious mal-treatment charge. They could well benefit under the proposed amnesty, however.

At the same time, in a telling omission the court failed to address the question of how Mr Przemyslak suffered his considerable internal injuries. The question has been left to appeal court should the case be referred to one.

ENERGY REVIEW every Wednesday in the Financial Times

ACRONYMS CAN spread through Portuguese politics like weeds. They became useful shorthand after the appearance of 50 parties in 1974, when nearly half a century of repressive one-party rule was ended by young officers weary of colonial wars.

Few new groups survived long after the coup. Eight parties sit in parliament today. Two — UEDS and ASDI — are splinters of the two main parties, the PS (Socialists) and the PSD (formerly PPD — the Social Democrats). The dissidents have attracted fewer followers than hoped for, a common fate of Portuguese splinter parties.

As July approached and most Portuguese began to dream of beaches and campsites rather than politics, yet another acronym was added to the crowded political vocabulary — Nova Cuarpe.

But the 120 founders of Nova Cuarpe (Nova Comissão Nacional para a re-eleição do Presidente Eanes — New National Commission for the re-election of President Eanes) is not an entirely new group of dissidents. Many were members of 1980 Cuarpe which, as its name suggests, was organised to get President Eanes re-elected.

Strictly speaking the name is a misnomer. President Antonio Ramalho Eanes, whose second term expires at the end of 1985,

is barred constitutionally from seeking a third term. A group calling itself his new re-election committee therefore wears the wrong label.

President Eanes has not given the nod to anyone, whatever the acronym, to use him as a figurehead.

But President Eanes is not yet 50. He has made it very clear that, after eight years as a conscientious head of state, he does not intend to drop out of politics when his mandate expires.

He commanded the military who hauled Portugal back from the brink of ultra-left wing chaos in late 1975. This won him the nation's regard, two terms in office and a taste

of affairs of state.

However, it is extremely unclear what role General Eanes sees for himself in the future. Does he want to be the grey eminence or sponsor a party he would not visibly lead? Or does he want to play the de facto leader of a new political group, possibly running for prime minister in some future legislative elections?

Never known for overt statements of intent, President Eanes is playing his cards closer than ever to his chest.

The general is said to be worried that the premature birth of a group eliciting pro-Eanes grassroots support could be counter-productive and to

have striven to discourage supporters from rushing their—and his—fences.

But some supporters see the movement as a variant of Gaullism, cutting across party lines and muffling today's parties. They maintain that grassroots "Eanism" is the only solution to endemic instability and that this time is ripe to offer the public a new option.

They argue that established parties, after nine years of parliamentary democracy with a strong tinge of presidentialism are unable to promote the well-being of the people, because alliances keep breaking up.

They insist the nation is ready for a new political force based

on—to quote Cuarpe slogans—"renewal of confidence and organisation of hope". They want less parliamentarianism and more presidentialism.

The urge to forge a unitarian force claiming to speak for the people is not new to Portugal. Memories are fresh of the 1930-1974 one-party state. In the name of political harmony, some officers, who made the 1974 coup to pip nascent parties in the tried to co-opt voters to let the Armed Forces Movement into power by casting blank ballots in the April 1975 constituent assembly elections.

An irate population blocked this bid to deprive it of its first chance in 50 years freely to

vote for several parties. Only a tiny fraction of blank ballots were cast.

But, this said there is in 1984 widespread dissatisfaction with parties and leaders. In part this stems from economic worries, but squabbles at times the inertia of political groups have bred bad feeling especially outside Lisbon.

Many country people and those in small towns resent the spectacle of Lisbon-based politicians, most of whom are middle class lawyers, rattling sabres at each other while the country awaits solutions to real problems.

"Eanism" hope to tap this. They hope for a rift in the ruling Socialist-Social Democrat coalition that would exhaust the last viable permutation of established parties and open the way for a populist, heterogeneous movement marching behind the banner of political cleanliness and unity.

Their hopes though, depend on the iron resolve of men like Sr Mario Soares, the Prime Minister, and Social Democrat leader to prevent such a development. His dislike for extra political party movements is, moreover, shared by politicians of other parties.

None would surrender contentious multi-party democracy, without a bitter fight. Their resolve is reinforced

by the green light for Portugal to join the EEC by 1988, thus weakening the chances of experiments with Third World alliances favoured by some anti-political party enthusiasts.

Sr Soares, who spent much of his life fighting for pluralist democracy in old Portugal, and who was the first to shift his country towards the EEC in 1977, argues that the need is for politicians to improve their performance, not for the system to be altered.

Cuarpe 84, condemning Lisbon politicians and calling for presidentialism (which would require a constitutional review) and the "salvation of democracy," will have to explain clearly where it is heading and with whom, before it gets wide support. The electorate has shown before that, however much people may care about their politicians, they are not easily persuaded to seek their eclipse.

Many Portuguese believe that Cuarpe-1984 version could suffice for the fate of a 1983 bid to launch a similar grass roots movement.

That movement, joined by several associates of General Eanes (but not with his participation) called itself Movimento de Aperfeiçoamento Democrático acronym MAD. It has renamed itself Movimento de Unidade Democrática — Mud. Acronym in translation can be tricky.

Diana Smith reports from Lisbon on a movement favouring a de Gaulle-type role for Portugal's President

Eager Eanes adherents seek an end to turbulent politics

Dictatorship memories cloud security debate

PORTUGAL'S PARLIAMENT takes up the debate again today of the controversial internal security Bill proposed by Sr Mario Soares's Socialist - Social Democratic coalition, writes Diana Smith.

Opposition parties on the Right and Left, and even some prominent Socialists, have criticised it for what they see as serious threats to democracy restored in 1974 after nearly 50 years of dictatorship.

The end of that dictatorship

also brought the downfall of the political police force, the PIDE/DGS, which had powers to hold political prisoners incommunicado for months without trial.

Its members were subsequently found guilty of physical and psychological torture, and of unauthorised invasion of privacy, wiretapping, and other breaches of individual liberties.

The new Bill is seeking to combat terrorism by permitting telephone-tapping, and other sorts of surveillance,

and search and arrest without warrant if urgent action is needed. Its critics see in it seeds of the type of arbitrary harassment once suffered by Portugeze.

The vehement criticism has led Sr Soares and other ministers to say that amendments to the Bill will be welcome, and the Prime Minister expects that the ministry is very vulnerable to domestic or international terrorism because it has no intelligence service nor proper means to combat suspected terrorists.

Meanwhile, the magistrate in the case of 30 people arrested on suspicion of belonging to the urban guerrilla group FF-25 (Forças Populares 25 de Abril) has said that evidence against them is piling up.

They include the one-time coup Li-Colonel Oteis Saravia de Carvalho. He is accused of being the brain behind FF-25 which is suspected of killing several businessmen in the past four years.

Santer to head new coalition

By Paul Cheeseright in Brussels

MARQUES SANTER will be confirmed as Prime Minister of Luxembourg, heading a coalition of Social Christians and Socialists, later this week.

The former Social Christian Finance Minister was asked by Grand Duke Jean last month to explore the possibilities of forming a coalition with the Socialists.

This followed a perceptible swing to the Socialists at the general election on June 17 at the expense of the Liberals. The Liberals are now leaving power after 15 years.

The Social Christians and the Socialists have in recent weeks been negotiating a programme for the coalition, details of which will be published next week. Although this programme is expected to show a leftwards movement from the policies followed by the outgoing Social Christian-Liberal coalition, it has been agreed there should be no step to reduce the working week from 40 hours.

The programme will show how the Government intends to cope with the continued financial restructuring of Arbed, the steel company which is the Grand Duchy's biggest employer.

The parties are now discussing how to fill 12 ministerial posts. The Socialists will provide the Vice-Prime Minister and have responsibility for foreign affairs, the economy, social security, transport and justice.

EEC move to end double VAT

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission is asking the EEC countries to agree on a directive which would stop EEC citizens having to pay value-added tax (VAT) twice — when they buy goods in one country and import them into another.

The proposal, from the office of Mr Christopher Tugendhat, the commissioner in charge of tax matters, builds on the principle of a

goods with a value of more than Ecu 2m (\$1.57m), that had been sold or imported less than three years previously. After taking in exemptions, refunds would apply largely to goods which hold value such as cars and jewellery.

The principle of avoiding double taxation is frequently adopted for direct taxation through the medium of bilateral tax agreements. The issue is more obscure for indirect tax.

But the refunds would only apply

Bonn decision likely tomorrow on guarantee for East German loan

BY LESLIE COLLIOTT IN BERLIN

THE BONN cabinet is expected to decide tomorrow on whether to guarantee a DM 950m (Ecu 256m) syndicated loan to East Germany led by Deutsche Bank which would be linked to humanitarian concessions.

West German bankers said the five-year loan will be at five-eighths above Libor compared with the 1 per cent above charged for last year's DM 1bn loan. East Germany will again put up as a surety the money it will receive from Bonn this year and part of next for Western use of the autobahn to West Berlin. That will total DM 620m this year.

The programme will show how the Government intends to cope with the continued financial restructuring of Arbed, the steel company which is the Grand Duchy's biggest employer.

The parties are now discussing how to fill 12 ministerial posts. The Socialists will provide the Vice-Prime Minister and have responsibility for foreign affairs, the economy, social security, transport and justice.

Europe's high-speed rail links may widen

By Paul Cheeseright in Brussels

THE BELGIAN Minister of Communications, Mr Herman de Croo, will ask the Dutch tomorrow whether they want to take part in a high-speed rail network linking France with West Germany through the Low Countries.

Hans talk follow a meeting in Paris last week between the French, Belgian and West German transport ministers. They agreed to study in detail a service based on the French "train à grande vitesse" (TGV), from Paris, via the Meuse basin to Cologne. There could be a branch line to Amsterdam.

Their decision raises an interesting question a year ago to the level of serious proposition. A small working group reported to the ministers that such a service would be feasible.

The working group has been told to produce a report by the end of next year establishing the technical, financial and social details prior to a final decision by ministers on the project.

The stimulus for the project has come from France, anxious to create export markets for the TGV. Efforts are being made to sell the train in the U.S. and such ambitions would be more easily realised if the service were extended more widely outside France.

The system has been boosted during the past two years by a series of fiscal support measures including a 1 per cent levy on all taxable income. This special levy imposed for the first time last year and renewed again this year was part of the economic austerity programme.

It is expected to disappear next year as part of the package of tax reductions which President François Mitterrand announced last weekend. Those are intended to reduce by one percentage point the overall tax burden, but remain vague.

There will be an 8 per cent cut in the Government's overall

fiscal revenues—equivalent to FF 70bn and FF 85bn. But the reduction in the so-called professional tax on businesses, an estimated 5 per cent cut in income tax and various other measures are expected to account for FF 40bn-FF 45bn.

The balance is likely to come from additional cuts in public expenditure. All this comes on top of an already tight government budget, which M Pierre Mauroy, the Prime Minister, is finalising.

Moreover, pressure on public spending is expected to grow sharply next year. That, in turn, is likely to force the Government to resort against unpopular indirect tax increases.

This has recently been the case with the Government's decision to increase the price of petrol by 4.5 per cent through an especially large rise in petroleum taxes. The move coming just before the July 14 holiday weekend caused considerable public discontent.

The promised tax cuts are part of President Mitterrand's general attempts to restore some popularity to his left-wing administration. In a similar vein, he has withdrawn a controversial private education Bill and proposed constitutional amendments to broaden the use of the referendum in cases involving essential personal freedoms and liberties.

Dutch budget may be easier than forecast

BY WALTER ELLIS IN AMSTERDAM

THE GRADUAL recovery in the Dutch economy over the past 12 months is expected to make the Netherlands' 1983 budget, now virtually complete, somewhat less attractive than had been forecast.

Mr Onno Rooding, the Finance Minister, is still expected to cut public spending by more than Fl 9bn (\$2.6bn) during next year. But public-sector wages and social welfare benefits were to have gone down by Fl 2.5bn, and Fl 1.3bn was to have been saved in the health sector.

Now, each of those totals seems likely to be revised, and the timing of measures will depend on the volume of revenues the Government manages to attract in the meantime.

Earlier this month, it was disclosed that state revenues this year were likely to be Fl 3.8bn higher than had been forecast, but mounting on this "windfall," Mr Wim Duisenberg, president of the Dutch central bank, said expenditure this year so far had still exceeded estimates by some Fl 500m.

Trade union leaders have made

clear that further attempts to

clip the wings of the state borrowing will be resisted, and Mr Rooding will be keen to avoid, if pos-

sible, a repetition of the wave of strikes and other protests that went on for nearly two months towards the end of last year.

In the spring, the Government looked ahead to reductions in public spending for 1983 totalling Fl 9.6bn. Social security payments and public sector wages were to have been cut by Fl 2.7bn. Departmental budgets were to have gone down by Fl 2.5bn, and Fl 1.3bn was to have been saved in the health sector.

Now, each of those totals seems likely to be revised, and the timing of measures will depend on the volume of revenues the Government manages to attract in the meantime.

Earlier this month, it was disclosed that state revenues this year were likely to be Fl 3.8bn higher than had been forecast, but mounting on this "windfall," Mr Wim Duisenberg, president of the Dutch central bank, said expenditure this year so far had still exceeded estimates by some Fl 500m.

Soldiers spent the weekend pre-

paring the trucks for civilian passengers, removing billboards, installing a bell and extra seats and clipping on the detachable ladders which they acquired for previous operations.

The intervention is on a small scale, with 11 lorries and about 40 soldiers involved.

FINANCIAL TIMES, US 19040, published daily except Sundays and public holidays, US \$1.00 per copy, £

OVERSEAS NEWS

New Zealand change of government brings on financial crisis

BY DAI HAYWARD IN WELLINGTON

NEw Zealand is in the throes of a serious financial and constitutional crisis with its two leaders—Sir Robert Muldoon, the outgoing Prime Minister, and Mr David Lange, Prime Minister-elect — fiercely opposed on what course of action should be taken.

Sir Robert said in a national television broadcast yesterday evening that the New Zealand dollar would not be devalued and called on Mr Lange to join him by making a similar statement.

But, as the night wore on, the obvious disagreement between the two men flared into the open. Mr Lange said he would make no such statement and accused Sir Robert of "political point scoring," saying that New Zealand's currency and economic situation should be above party politics.

Although Mr Lange's Labour Party decisively defeated Sir Robert's National Party in Saturday's general elections, he will not formally take office under New Zealand's constitutional system for about another 10 days. Until then, Sir Robert retains the legal powers and authority of the Prime Minister.

Foreign exchange controls were suspended on Sunday night after funds started flowing out of the country ahead of the elections. The suspension remains in force, and the Reserve Bank has given no indication when it will be devalued in the near future.

Iranian leader invited to meet Saudi's King Fahd

DIPLOMATIC efforts appear underway to bring an end to the nearly four-year-old Iran-Iraq war. Our Foreign Staff reports.

In Tehran yesterday it was confirmed that Mr Hashemi Rafsanjani, speaker of Iran's parliament, has received an invitation to visit King Fahd in Saudi Arabia. At the same time it was learned that Saudi Arabia and its five allies in the Gulf Co-operation Council (Oman, United Arab Emirates, Qatar, Bahrain and Kuwait) met yesterday to discuss what they describe as an Iranian proposal to halt escalation in the war.

Mr Rafsanjani's office in

CHINA'S latest rural reforms have run into opposition from local officials who resent peasants escaping from the collective economy or earning riches in non-agricultural ways. This money, they believe, should be channelled into their own organisations (via an often sticky-fingered bureaucracy).

The official Chinese news agency, Xinhua, last month published Peking's main rural policy statement of the year, the Central Committee's No 1 Document of 1984. First circulated some time ago to selected officials, the document has now been published openly to counteract what the peasants have christened the "so-called No 2 Documents" drawn up by local officials.

The No 1 Document widens the scope of the earlier reforms introduced by the Deng Xiaoping leadership, which included the "responsibility system" (the right of an individual household to contract with the state for a fixed quota return for a given plot of land and retention of any surplus) and the right of rural households to specialise in particular lines (such as growing melons or raising ducks).

It sets out a much more profound reform which authorises peasants to run non-farming

businesses and allows them to do so by moving to nearby towns if necessary. Most notably, these businesses cover industry and the service trades, as well as processing, forestry or construction.

The reforms are intended in the long run to reduce the farming portion of the rural population by between only 20 and 30 per cent of the total, from a figure that is probably at least double that. Peking wants the most efficient families to take over the land, provided the others can support themselves elsewhere.

The "No 2 Documents" were drawn up by local government and Communist Party depart-

rich," the newspaper says. One man found himself burdened with huge energy bills, while another could find almost no one to carry out repairs. When he did, work was either sub-standard or only half-finished. Deng Xiaoping, the Chinese leader, has urged that public housing rents should be raised to encourage more people to buy homes and boost the inefficient and unprofitable construction industry. ((

ments to lay down rules which would frustrate the central Government's policy. Opposition, condemned as "leftist," comes from conservative officials who fear losing power, envy the peasants and worry over possible retribution.

Document No 1 stipulates that a local authority can designate pilot-project towns where the peasants can set up small businesses. But some local officials have made it almost impossible for a peasant to get business licence, rent a house in town or change his household registration documents (in China). Where businesses have been successful, some local officials have simply

"nationalised" them, said Xinhua.

In Hunan province, officials invented a whole new set of regulations and charges. For instance, where peasant-run coal mining businesses shipped their coal out of the county, they had to get a special pass. Without one they had to pay fine up to the value of their assignments.

In Zhongli, a small country town in Hubei province where making firecrackers is a long tradition, local tax and legal officials accused households now making them as a private business, of tax evasion and breaking the law. They deliberately extended the retroactive period for paying overdue taxes, imposed fines and confiscated property.

Elsewhere, bureaucrats have taken advantage of their positions. In one district in Hubei, some peasant families ran restaurants, officially eating in the sun, accumulated debts of more than 15,000 yuan (about \$5,000). Some officials pretended to be holding meetings or carrying out inspections, and slipped away afterwards without paying the bills.

Some refused to acknowledge their debts, and, on one occasion, broke up the restaurant when the local paper reported

the case. "They overturned a table with dishes on it, smashed bowls and plates, kicked over a fish bucket and threw knives and chopping blocks out the door."

They even threatened the owner, saying: "You must shut down tomorrow, otherwise we will have your house pulled down."

While such specific cases are rarely described in the Chinese Press for fear of antagonising officials, the steady stream of general criticism of "leftism"

CURRENCY RESERVES UP

PEKING—China has reported a sharp rise in foreign currency reserves, at \$15.69bn or roughly five times more than its overseas debt, writes Reuter from Peking.

The Central Bank said in a report published in the China Daily that reserves rose 9.4 per cent in the first three months of 1984, compared with 1.8 per cent in the previous quarter. But foreign debt increased by only \$185m to \$3.21bn.

The New China News Agency, meanwhile, said that an 11.6 per cent rise in industrial output in the first half of this year dispelled any doubts

that the nation's economic upswing could be maintained. The rise in output to \$260bn yuan (\$148bn) also boosted state reserves, the agency said.

Finance Minister Wang Bingqian had warned earlier this year that sluggish growth in revenue was seriously embarrassing the Government.

The agency said revenues to the end of May were 20 per cent higher than in the first five months of 1983, largely because of greater profits by state-owned enterprises. It did not give any other figures.

Planned Sikh march sparks Amritsar curfew

BY K. K. SHARMA IN AMRITSAR

A 36-HOUR curfew was renewal of violence in the imposed on the Punjab holy city of Amritsar from Sunday night to meet the threat by Sikhs to march on the Golden Temple to regain control of the shrine from the army yesterday.

At the same time, the Government asked the army to start negotiations with the Akali Dal, the Sikhs' political party, on postponement of the agitation which has threatened

Talks between the Akali representatives, who included a prominent woman leader, Dr Rajinder Kaur, continued all day yesterday but remained stalled until the evening because of the army's insistence on maintaining a presence in the Golden Temple.

The Akali Dal wants a total withdrawal of the army from the temple so that the Sikhs

can begin repair work on severely damaged parts of the shrine and start to "purify" it.

A hopeful sign was that the protest march by the women group to be led by Dr Rajinder Kaur was indefinitely postponed although she threatened to hold it any time last night or today if the army did not leave the temple. This would inevitably lead to trouble.

D. P. Kumar in New Delhi adds: India has postponed

talks with Pakistan due to be resumed in New Delhi on Wednesday and Thursday on India's proposal for a peace and friendship treaty and Pakistan's offer of a non-aggression pact.

But, it is known that things are not going well in bilateral relations between the two countries, given the alleged role of Pakistan in the recent hijacking of an Indian Airlines Airbus from Srinagar to Lahore.

Allocation of resources will be done with the basic objectives of higher food production, creation of employment, and improvement of productivity.

The seventh plan, according to the "approach document," aims at a growth rate of a little over 5 per cent — which should contain inflationary pressures

and lead to import substitution in sectors such as crude oil, grain and edible oils, besides generating employment and income for the poor, especially in less developed regions.

The plan is based on the assumption of a 20 per cent savings rate, which has already been achieved.

Egyptian Cabinet resigns in post-election reshuffle

BY CHARLES RICHARDS IN CAIRO

SIX WEEKS after the Parliamentary elections, the Egyptian Cabinet has finally resigned, said Mr Kamal Hassan Ali, foreign minister and acting Prime Minister, would announce a new cabinet tomorrow.

Mr Kamal Hassan Ali has been acting prime minister since the death of his heart attack of Dr Faouzi Mohieddin, the former prime minister, on June 5 after he led the ruling National Democratic Party (ADP) to a sweeping victory in the May 27 elections, winning 39 out of the 448 elected seats.

The long delay in forming a new government reflects a lack of decision by both President Hosni Mubarak and Mr Kamal Hassan Ali, both on the type of government they want and the kind of men available to fill the posts. It also shows remarkable lack of confidence in the much vaunted electoral process,

stemming largely from Mr Mubarak's nature as a cautious man unwilling to make sudden changes.

Mr Kamal Hassan Ali is expected to delegate authority much more than his predecessor, who concentrated decision making in his hands. He is widely believed that foremost among the new posts will be a deputy prime minister for the economy, to oversee the ministers of economy, finance, and investment. Few expect major changes in policy, but rather an attempt to create more efficient government to improve economic performance.

Mr Mubarak has already made one major appointment since the elections, that of the speaker of the People's Assembly or parliament. The new speaker is Dr Rifat al-Mahjoub, a law professor, who was one of the ideologists of Nasser's Arab Socialist Union.

No matter what's happening outside, heat pumps keep Top Shop comfortable inside.



In the fast-changing clothes business, there is one thing that never goes out of fashion — and that is comfort.

Top Shop is a leading chain of shops where they like their customers to browse and try on clothes in a comfortable and cheerful atmosphere, whatever the weather is doing outside.

This is a factor in successful retailing that the designers of the Cardiff Top Shop's heating and cooling system clearly warmed to.

The 530 sq m shop is totally enclosed and opens on to the covered mall of the St David's shopping arcade. In winter, heating is required mainly to preheat the premises early in the morning — though sometimes it is called for throughout the day.

In summer, a cooling system is needed, able to cope with a store occupancy of 180 people at any one time, and a fresh air requirement of 10 litres per second for each person.

Heat pumps fitted the bill perfectly.

Ideally suited to the application because of their ability to accommodate quickly any fluctuations in temperature and humidity caused by the weather or internal heat gains, the heat pumps now provide a comfortable environment all the year round.

The heat pump works by drawing free heat energy from the outside air and raising its temperature so it can be used to heat the shop.

This process can be reversed automatically to draw heat out of the shop, and thereby cool it.

The outside coils, fan and compressor in this installation were sited on the roof, where they do not interfere with interior space or decor. The air handling units inside the shop were neatly installed behind the display area.

A welcoming atmosphere for shoppers and a comfortable working environment for staff are one benefit — energy efficiency and economic running costs are others. The beauty of heat pumps is that the benefits of cooling and heating, with reduced energy requirements, are produced by one system.

At Top Shop in Cardiff, electric heat pumps meet the store's heating, cooling and ventilation needs — as well as the management's fuel and cost objectives.

If you would like more details, call Bernard Hough on FREEFONE 2282, or clip the coupon.

Please send me details about the remarkable electric heat pump and how it can help my business.

Post to: Bernard Hough, The Heat Pump and Air Conditioning Bureau, 30 Millbank, London SW1P 4RD.

Name _____

Position _____

Company Address _____

Post Code _____ Tel _____

PLAN ELECTRIC
The Electricity Council, England and Wales C1244

AMERICAN NEWS

Dow's \$120m claims offer 'will not hit earnings'

BY TERRY DODSWORTH IN NEW YORK

DOW CHEMICAL, the second largest U.S. chemicals company, said yesterday that the \$128m (£92m) settlement tentatively agreed with claimants against its morning sickness drug Bendectin (marketed in the US under the name Debendorf) would have little impact on its earnings.

Merrill Dow Pharmaceuticals, a unit of Dow Chemicals, is to pay \$120m into a special fund set up to settle claims made by 70 plaintiffs against the company.

The out-of-court agreement follows action brought by parents claiming that birth defects in their children were caused by Bendectin.

After the announcement of the deal, Dow said the decision to make the payment should not be construed as an admission of liability. "Acceptance is based solely on business confidence since we have confidence in the safety of the drug," it said.

According to the Cincinnati Federal Court, which had heard the claims, the Dow settlement is one of the largest ever made in U.S. product liability history.

Before yesterday's hearing will have to be held in the court, to allow claimants to have their say on the question of fairness. Judge Carl Rubin will then decide

whether or not to accept the settlement.

The agreement provides for \$40m to be set aside within the next month and a further \$20m on final acceptance of the settlement by the court. The remainder will be paid in annual instalments over the next 20 years.

Dow said yesterday that the deal would have little effect on its earnings because it was adequately covered by product liability insurance and reserves. In the first quarter of this year, the group earned \$122m.

Only two months ago, Dow was also one of the main contributors to a \$180m fund set up by a group of U.S. chemicals companies for claims against the Arco Orange detergent.

Andrew Taylor writes: Around 20 British families which have sought compensation from Merrill Dow in the U.S. courts are not expected to share in the settlement.

A number of these cases have been referred back to the British courts under "forum non-conveniens" which means that U.S. justices have decided that the cases would be better heard in the UK.

Merrill Dow, however, said yesterday that it has no plans to make out-of-court settlements outside the U.S.

Dr Harry Masheter, medical director of the company's

British operations, based in Hounslow, Middlesex said: "The settlement only applies to Merrill's U.S. business. As far as I am aware, there are no plans to make similar payments in Europe."

"The settlement has only been agreed in response to the high legal costs involved in defending court actions in the U.S. It does not imply any admission that Debendorf has caused congenital malformation."

Mr Jack Ashley, Labour MP for Stockport, Tameside South and founder of the Debendorf action group, representing 400 British families said there was a "very clear moral obligation on the company to make a pro-rata payment" where such cases had arisen in Britain.

He appealed to the Government and GPs to ensure that health service used alternative drugs to those supplied by Merrell until the company made a similar offer to British parents.

Debendorf was introduced into Britain in the late 1950s and the company estimates that around 3m courses of the drug had been used when Merrell decided to stop manufacturing the drug last summer.

Other European countries where Debendorf has been sold include West Germany, Italy and Spain.

Dominican Republic near debt deal

BY CANUTE JAMES IN KINGSTON

THE DOMINICAN Republic and the International Monetary Fund are approaching agreement on controversial economic measures that the Government has been reluctant to implement.

Talks with the fund about a \$450m credit were broken off in late May by President Salvador Jorge Blanco. Government sources in Santo Domingo, the capital, said the Government was insisting that it would not move oil imports from the "official" rate of exchange of one peso to the dollar, to the "parallel" rate, which would have tripled prices.

Nuclear technology export controls to be tightened

BY STEWART FLEMING IN WASHINGTON

TWELVE WESTERN nations which supply nuclear technology met in Luxembourg last week and agreed on the need to tighten up controls on nuclear technology exports, diplomatic officials in Washington confirmed yesterday.

The meeting, to which only the Western members of what is known as the London Suppliers Club, were invited, was the first since 1977 and is being presented in Washington as aimed at demonstrating increasing U.S. concern about nuclear proliferation.

Whereas President Jimmy Carter took an active interest in the dangers of nuclear proliferation, the Reagan Adminis-

tration has been widely criticised as failing to take the issue seriously enough.

The latest initiative by the Administration is seen, however, as part of the Administration's efforts to blunt inevitable criticism of its record in this area in the forthcoming election campaign.

Among the concerns raised at last week's meeting were the need to try to bring into the discussions new suppliers of nuclear equipment such as Brazil and China.

There is particular concern, too, about evidence of co-operation between China and Pakistan in the field of nuclear technology.

The refuelling programme is part of a recent agreement with the International Monetary Fund.

IMF thinks Venezuela economy is on course

By Peter Montagnon, Euromarkets Correspondent

THE INTERNATIONAL Monetary Fund has told Venezuela that it does not need an IMF credit to help it sort out its \$35bn (£25bn) foreign debt problems. Sr Manuel Aspruza, Finance Minister, said in London yesterday.

"The settlement has only been agreed in response to the high legal costs involved in defending court actions in the U.S. It does not imply any admission that Debendorf has caused congenital malformation."

Mr Jack Ashley, Labour MP for Stockport, Tameside South and founder of the Debendorf action group, representing 400 British families said there was a "very clear moral obligation on the company to make a pro-rata payment" where such cases had arisen in Britain.

He appealed to the Government and GPs to ensure that health service used alternative drugs to those supplied by Merrell until the company made a similar offer to British parents.

Debendorf was introduced into Britain in the late 1950s and the company estimates that around 3m courses of the drug had been used when Merrell decided to stop manufacturing the drug last summer.

Other European countries where Debendorf has been sold include West Germany, Italy and Spain.

Reginald Dale and Louise Kehoe at the Democratic Convention

The prime-time viewing spectacular

IT HAS been called "the largest TV studio." That just about sums it up.

The underground Moscow Convention Centre in downtown San Francisco is all wired up for national television coverage of the Democrats' Party Convention, and not much else, except the sale of expensive T-shirts and campaign buttons.

As with most modern U.S. political conventions, the entire schedule is built around prime-time viewing hours on the East Coast, which with the three-hour time difference means that the major set-piece events can start until mid-afternoon California time.

When all the TV lights are on, it has been calculated that the temperature in the hall is likely to rise to 110F. The answer, say the organisers, is to issue the almost 4,000 delegates and their alternates with more iced water and salt tablets — not, of course, turn off the lights.

Symbolically, the only people authorised to park their cars at the Centre — a major consideration — are the employees of the TV networks. There is no parking for news reporters, journalists, indeed not for delegates, who will be brought in by shuttle bus.

Formal talks with bank creditors begin next week. Sr Aspruza said the Venezuelan Cabinet has yet to finalise its rescheduling request. But he warned that Venezuela is "very concerned" about rising interest rates. "It is necessary to think about some alternative," he said.

Such remarks have prompted speculation that Venezuela, which has a current account surplus and reserves of \$12bn, might seek to reschedule its debt at a fixed rate of interest.

But Sr Aspruza refused to be drawn on this, saying only that the Government was still studying the alternatives.

Venezuela will make a concerted effort to reduce outstanding interest arrears on private sector debt before next week's talks at which it will be represented by its chief debt negotiator, @Anasias is proposing to its Paris Club creditor countries that they reinance \$172m of the island's debts, writes Canute James in Kingston.

Mr Edward Seaga, Prime Minister and Finance Minister, is visiting Paris this week as part of a wide-ranging effort to refinance the island's \$3.1bn foreign debt.

The refinancing programme is part of a recent agreement with the International Monetary Fund.

enough to justify a new Watergate-style break-in.

Women have tended to dominate the news ever since last Thursday, when the likely nominee, Mr Walter Mondale chose Ms Geraldine Ferraro of New York as his running mate.

Ms Diane Feinstein, the Mayor of San Francisco, who is generally thought to have been placed second, has been charmingly sporting about her rival's success.

Some of her closest advisers now believe that she may have done well to miss the chance of running on a losing ticket, while still acquiring "national exposure" for being considered for the job.

Out in the empty parking lots of the Moscow Centre, in the front line against the demonstrators is Officer Laura Carroll, the only San Francisco mounted police woman and a fully qualified member of the local SWAT (Special Weapons and Tactics) squad.

With tear gas, gun, truncheon and a 20-year-old horse called "Vegas Dave," she is ready for any trouble.

The blue button is used to move the cursor when entering your delegation's vote.

So it's so good. But if you typed the wrong number, use the blue button — if you sent the wrong vote, use the red button.

It could become the most important issue of the convention.

For the first time in U.S. history, delegates to a national political convention will be voting by computer, cutting down to less than 15 minutes.

The instructions are straightforward: "To cast your delegation's vote, follow the instructions on the screen. The red button is used to begin voting, change a vote and send your delegation's vote to the podium.



A member of All Species Caucus '84 who marched to San Francisco's Civic Centre, seeking support for protection of the environment and endangered species.

The blue button is used to move the cursor when entering your delegation's vote.

So it's so good. But if you typed the wrong number, use the blue button — if you sent the wrong vote, use the red button.

If the computer tells you that too many votes were cast or some other mistake was made, use the red button and start over.

If you have any questions, pick up the red phone.

When it comes to the election of a Presidential candidate, the Democrat will revert to the time-honoured system — something which cannot be trusted to a bunch of microcomputers.

Speeches will set tone for autumn campaign

THE MAIN highlights of the Democratic Convention come on Wednesday and Thursday nights, with the roll-call balloting for the Party's presidential and vice-presidential candidates, Reginald Dale writes.

Even though there is little doubt that the Convention will swing behind a Mondale-Ferraro ticket, the performance of the two partners will be closely scrutinised in the days ahead.

After Mr Mondale's expected nomination on Wednesday night, and Ms Ferraro's on Thursday night, both will give

acceptance speeches that will set the tone for the autumn campaign against President Ronald Reagan.

Major landmarks include last night's "keynote" address by Governor Mario Cuomo of New York, earlier believed to have been Mr Mondale's first choice for the vice-presidency, and speeches by the two "losers"

— Senator Gary Hart of Colorado and the Rev Jessie Jackson, who have both been allocated prime time TV speaking slots — Mr Jackson today, Mr Hart tomorrow.

The manner of what should

amount to their concession speeches will be a key indicator of how far the Party will be able to present itself as united behind Mr Mondale.

Mr Jackson and Mr Hart both have challenges to face in their election platform due for debate tonight.

Mr Jackson's amendments cover civil and voting rights for minorities, the non-first use of nuclear weapons and a cut in U.S. defence spending.

Mr Hart is seeking much

strategic conditions on the use of U.S. military force overseas, with specific reference to

the Gulf.

A major deal has already been struck, however, on the vexed issue of Party rules for the selection of the next presidential candidate in 1988. Basically, Mr Mondale has given in to the demands of his rivals, in the interest of plain sailing at the convention itself.

That means that the rules will be changed to favour minority and outsider candidates, by lowering thresholds needed to win convention delegations and reducing the number of official Party establishment delegates.

Taipei learns to bury its congestion problem

Robert King
reports on an
ambitious solution
to endless
traffic hold-ups

TAIPEI'S PLANNERS, plagued by congestion in the inner-city, have proposed a classic old-West solution: plant one part of the problem six feet under and order the rest out of town by noon.

When the dust has settled, about five years from now, the Taipei railway station, along with more than 4 km of track, will be underground. Most of the old-city businesses and government offices will be relocated seven kilometres to the east in what is now rice paddy and under-used industrial land.

And if the Government approves, the plan, the city will also incorporate sections of the existing rail network into Mass Rapid Transit (MRT) system that could eventually cover more than 74 kilometres.

Taipei has grown within about a century from a second-rate trading post located on a marsh to the centre of Taiwan's finance and trade. But it has grown largely without urban planning: new construction and road building recently have been tackled onto whatever was left over from the 50-year Japanese occupation that ended in 1945.

Fives Cail Babcock in £71m Egyptian project

Fives Cail Babcock of France has won a turnkey contract from Tourah Portland Cement of Egypt, our Trade Staff reports. The deal, worth FFr 800m (£71m) involves the construction of a 1m tonne a year capacity production line at the cement complex. The plant will link up with another production line, ordered from Fives Cail Babcock in 1982. The total value of the two contracts is worth £168m.

ECGD backs \$16.2m loan for Oman

THE OVERSEAS contracts placed with Japanese construction companies hit a record high of Y10.5 trillion (million million) (\$2.1bn) in the year to March 31 1984, according to Government figures, Robert Cottrell reports from Tokyo. The total value of contracts was 11.6 per cent higher than in the previous fiscal year.

Singapore was the largest single source of contracts, with awards totalling Y2.55bn, including land reclamation, snowy and high-rise building contracts. Asia as a whole accounted for 65 per cent of all contracts, with 15 per cent of orders coming from the Middle East.

Courtaulds bids to expand plants in Soviet Union

BY OUR TRADE EDITOR

COURTAULDS, the British textile group, is bidding for contracts in the Soviet Union to modernise a number of the plants it has built and equipped there over the past 25 years.

The company's engineering division has put in tenders for the renovation and expansion of two sites and others are being discussed.

Although traditionally reluctant to enter into compensation deals when trading with the USSR, some kind of buy-back arrangement could be involved in the latest negotiations, according to Dr Norman Wooding, the deputy chairman in charge of Soviet business.

Total British exports to the Soviet Union rose 26 per cent to £443m last year, the level reached four years ago.

UK-Soviet trade, of which the balance is in the USSR's favour, is, however, low compared with that of other West European countries.

Malta starts up container project

By Godfrey Grim in Malta

MALTA yesterday commissioned its first container terminal at the new transhipment harbour being built at Marsaxlokk on the island's south coast.

The entire project, which is scheduled to be completed by 1987, is expected to cost between M€84m (£137m) to M€136m. Finance has been raised by the Maltese government with Saudi Arabia and Abu Dhabi.

The Marsaxlokk project is for the most ambitious and expensive scheme undertaken by the central Government.

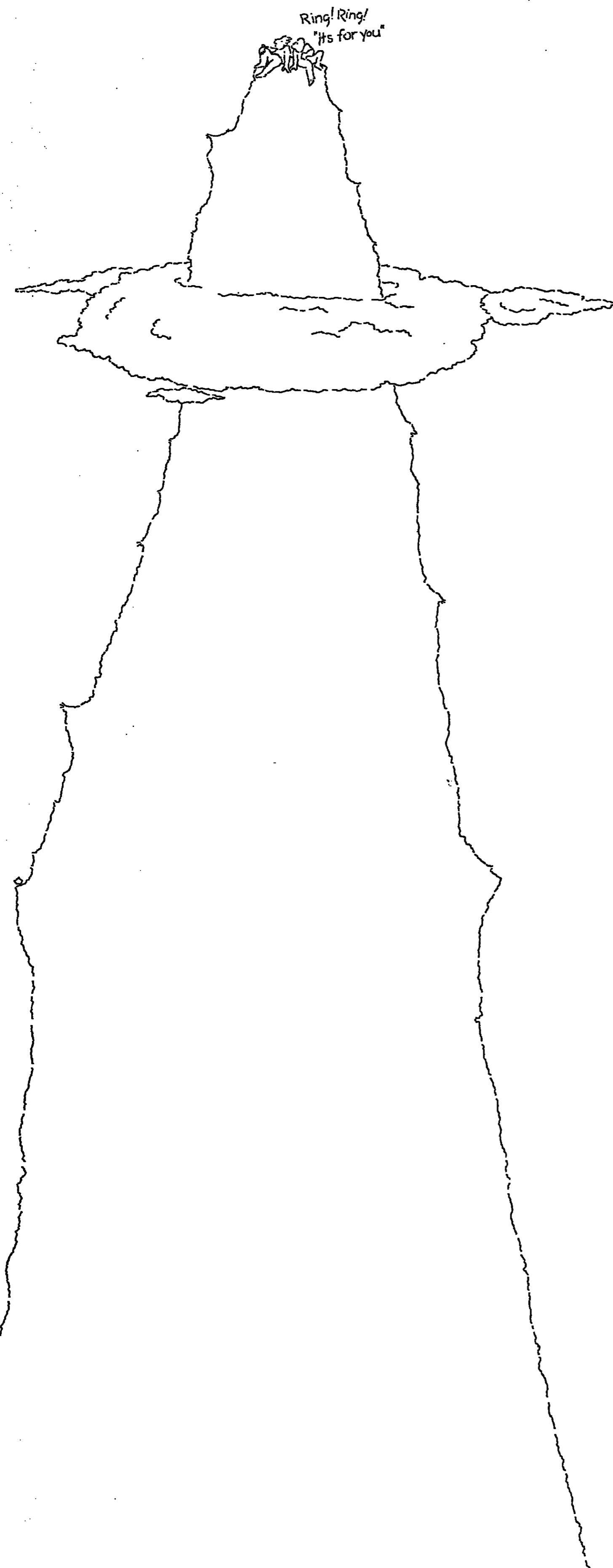
Like other state-run enterprises in financial difficulties, has been singled out in the plan for drastic economy measures.

The 1980 deal included a complicated offset package of \$65m whereby Lockheed committed itself to promote sales in the U.S. of Portuguese goods, equipment and services.

Tristar purchases were financed by Chase Manhattan, National Westminster and the Banco Portugues do Atlantic, Portu-

guese.

Ironically, though, the MRT system, a common thread binding both the underground and the Hsinyl projects, has not yet been formally approved by the Government. For instance, the railway station will go underground largely to integrate it into the MRT network. The success of the Hsinyl



Real technological revolutions, the kind that change people's lives, are few and far between in an age of hype.

The motor car changed the way we travel; the wireless changed the way we entertain ourselves; and the first truly portable telephone will just as profoundly change the way we communicate over distances.

Far more than just a Utopian dream, such a telephone system is only a matter of months away.

It even has a name: Vodafone.

You may not want to call New York from the top of Snowdon (although if you do there'll be no problem).

The point is, Vodafone will free people from something that's been tying them down ever since it was invented over 100 years ago: the telephone. Isn't life strange?

RACAL-VODAFONE LIMITED
THE COURTYARD, LONDON ROAD, NEWBURY, BERKS RG12 8ENGLAND.
TELEPHONE: NEWBURY (0635) 30790 TELE X 647016

RACAL

The legend that whispers luxury.



No other car reflects your success like a Jaguar.

No other Jaguar establishes your standing like the Jaguar Sovereign.

It is a car without equal, a unique combination of effortless performance and absolute luxury.

For most, the Jaguar Sovereign will be an experience only to be imagined.

For the privileged, it will be an experience to be savoured and often repeated.

Behind the wheel of a Jaguar Sovereign you can settle in the seclusion of quiet, restful elegance.

Cossetted by the richness of fine quality leather hides, burr walnut veneers, deep-pile carpeting, air-conditioning and a range of standard appointments that, on any other car in its class, would read like an expensive list of optional extras.

Reassured by the Jaguar Sovereign's legendary road holding, smoothness of ride and, not least, its outstanding value for money.

Jaguar Sovereign 4.2 £18,495.00.

Jaguar Sovereign H.E. £20,955.00.

Prices, based upon manufacturer's RRP and correct at time of going to press, include seat belts, car tax and VAT. (Delivery, road tax and number plates extra.)



JAGUAR SOVEREIGN The legend grows

THE 1984 SALOONS: JAGUAR SOVEREIGN 4.2 & SOVEREIGN H.E.

TECHNOLOGY

AUTOMATED MANUFACTURE AT DAVID BROWN

New gear for the gear makers

BY PETER MARSH

HOW DO you introduce automated techniques to a factory that turns out one basic metal product but in no fewer than 588 different versions?

The answer, in most cases, is that you don't — instead, the factory is forced to rely on techniques for making objects in small batches that owe more to the 1880s than the 1980s.

In these manufacturing methods, machine tools are used in seemingly random fashion around the workshop, each responsible for a single operation such as cutting or drilling.

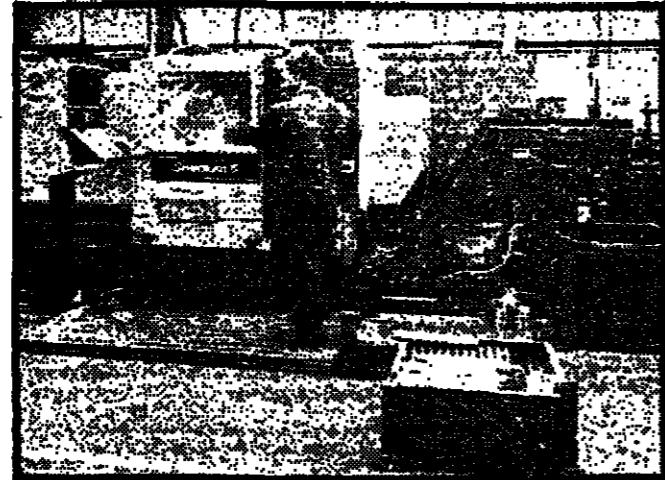
Because it takes a long time to reset a machine so if it does a different job, engineers have little opportunity to change the functions of individual tools. But due to the huge variety in the shape of the finished product, parts are made in such small batches that engineers can hardly ever justify the purchase of specific items of machinery.

The result is a mushrooming of machines to take up a large amount of space. For a lot of the time, the hardware is lying idle. The system also engenders a huge mass of parts in varying stages of completion that must continually be shunted between different tools.

The Sunderland division of David Brown Gear Industries decided last year to make a break with the past and reorganise its factory from scratch. The division makes work-reducing gear boxes that feature in a range of industrial and consumer machinery. The products essentially transfer the output from a high-speed motor to a shaft that turns at a lower speed, but with a greater torque.

The Sunderland factory turns out gear boxes in about 45 basic forms. These range from palm-sized units, which for example drive office machinery or children's mechanical rocking horses, to huge affairs that power conveyors or mining equipment in industrial plants.

To compound the complexity, each basic model comes in 13 different versions, depending on the ratio by which the speed of the motor attached to the



S.M.T. Pullmax Swedturn 6 in action.

gear box is reduced. The motivation to change the Sunderland factory was strictly commercial. Orders for gear boxes started to dry up, partly as a result of the recession and partly due to stronger competition from overseas suppliers.

We were struggling, recalls Mr John Westwood, the works manager of the Sunderland division.

The company decided to rationalise its factory operations and called in Ingersoll Engineers, a company of consultants based near Rugby, to advise on a new strategy. The new approach appears to have paid off.

With fewer workers, the factory has increased output. Annual wage costs and other overheads have fallen by £500,000, while in one year sales have increased by £2m. On this basis, the company has already more than recouped the £1.35m that the reorganisation cost.

The factory underwent metamorphosis during a three-week shutdown last year. In this time, engineers scrapped about 70 of the factory's existing 178 machine tools, almost all of them manually controlled, and reduced the area of the workshop by 30 per cent.

David Brown spent £750,000

on seven new computer-controlled machine tools to supplement what was left of the manual machinery. It invested a further £600,000 on building work and new equipment to paint finished gear boxes.

The main result of the new hardware is that it greatly reduces the times needed to reset equipment to do different jobs. In the old factory, workers would have had to go round the clock for up to two days to change the function of a line of machinery consisting of about a dozen conventional tools.

With computerised equipment, whose operation is controlled by a program devised by the factory's production engineering department, this setting time becomes just a couple of hours. As a result, machines can be quickly changed to do a variety of jobs. They are thus in use for a higher proportion of the working day.

In addition, the company can react more quickly to orders from customers and the mass of parts that the factory needs to store is reduced.

Four of the new machines, made by S.M.T. Pullmax of Sweden, cut chunks out of parts

while they rotate. This equipment shapes components of the gear boxes such as shafts and wheels.

The three other new items of hardware are computer-controlled machining centres in which the metal part remains stationary while a variety of tools drill or bore holes or grind away pieces of metal. David Brown bought these machines from Schermann of West Germany and Howa (Sangyo), a Japanese company. Mr Westwood says he would have liked to buy from a British company, but that the right products were not available.

In the Sunderland factory, a simple component such as a casting may well receive the attention of a machining centre for an hour at a time, while different parts (extracted from a casting) which is part of the hardware do up to 100 jobs.

The theory aims this year to turn out 46,000 gear boxes as opposed to 32,000 units before the reorganisation. The work force has dropped from 410 last March to 330 today. Mr Westwood says this was done first by calling for voluntary redundancies and then by weeding out people who had a poor working record. He says that the six unions at the plant accepted the notion that if nothing were done, the factory would eventually shut down because it could not compete.

The mainly skilled workers who operate the machines were not touched by the job reductions. Over the past 14 months, their numbers have increased from 148 to 162. Unskilled shop-floor workers decreased from 172 to 158, lending force to the argument that it is the lower grades of factory labour forces who have most to fear from manufacturing automation.

IAM INTRODUCED the information centre concept a few years ago as a means of organising and controlling the spreading use of terminals and personal computers.

The theory was simple. For years pressure had been building on the central data processing centre to provide applications programs for end users, a pressure which many mainframe installations were simply not well designed to satisfy.

In consequence, the time taken for implementation of even quite simple applications became impossibly long and end users were very frustrated.

The IBM Information Centre concept involved a small but substantial computer—one of its 4300 series—available directly to end users for the development of their small, but important, applications programs.

The original idea was that the users would work on terminals; now these have been supplanted, in theory at any rate, by the coming of the personal computer.

But the introduction of the information centre has raised a number of critical issues. At a recent meeting of the European Conference on Information Management (Eurocon), Professor Michael Treacy of the Massachusetts Institute of Technology offered a new insight into this very recent development in personal computing.

First, the scale of the problem. Xerox Corporation estimates that in 1981, 15 per cent of the company's computer resources were devoted to end-user computing.

There are four critical issues:

1—If hardware and software is standardised, freedom to innovate is restricted; if not, intercommunication is endangered.

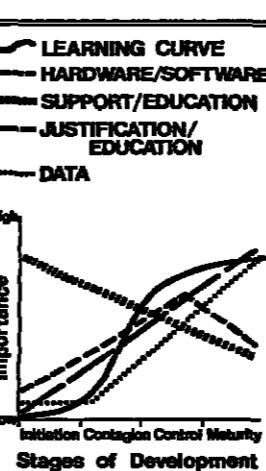
2—Lack of data and security standards can cause chaos because of misinterpretation or misuse, but standards do not yet exist and immediacy is the essence of end user computing.

3—Should users be provided with support locally or centrally with the main data processing operation.

EDITED BY ALAN CANE

The information centre: a question of regulation

Professional Personal Computing



Treacy's view of information centre development

Large corporate programs will still be the province of the data centre

4—How is it justified? End user computing is about exploiting opportunities rather than cutting costs.

Professor Treacy suggested that information centres are like central data processing installations in their development.

He suggested that just as central installations follow the pattern of initiation (getting started), contagion (ideas spread too fast) and maturity (the data centre is treated as a conventional business department) first proposed by R. L. Nolan, so information centres follow a similar pattern of growth.

The diagram shows how Treacy thinks Nolan's four stages of development go through.

Which issues are critical at any particular time depends on the stage of development of the centre. Treacy argues that during the first phase when the centre is being established there is no need for controls at all; what is important is that executives should use the centre and get satisfaction from doing so helped by advice from the data centre and roving consultants.

During the contagion phase, responsibility will fall on the user department; it will be accountable and it will have to have its own support expert.

After this phase it is time to control the centre through centralised policies and decentralised support—together with attention to standards and automation.

In the final phase, the organisation has to focus on what it really wants out of the centre—competitive advantage for the company rather than a host of computer-literate executives. At the point formal justification for the centre can be sought.

IAN HUGO



Instruments

Gauge for fluid muds

HARWELL, IN association with British Ports Association, has developed a gauge that can be towed behind a survey vessel and will measure the density of fluid muds and silts.

The device will either measure the silt density at a fixed depth or will plot silt contours at pre-set density levels. It works by measuring the attenuation of gamma rays as the silt flows between a radioactive source and a detector and is linked to a shipboard data processor and display.

The device is to be developed commercially and marketed by Edwards Marine Systems of Yeovil, Somerset (0935 24852).

Software Project scheduling

MICROSOFT HAS announced a project scheduling and costing program to run on the IBM personal computer and compatible machines.

Aimed at those responsible for planning and executing business projects ranging from simple departmental schemes to complex or linked projects, the software allows users to see, at any stage, the financial and operational implications of changes.

BIOTECHNOLOGY

Ferment of activity in Dyfed

WHEN THE dairy closed down in Newcastle, Emlyn Dyfed, in Wales, unemployment seemed to be the workers' only future. Local farmers suffered when they were hit by EEC milk production quotas. An innovative project by the Biotechnology Centre, University of Wales, however, heralds a brighter future for the Taff valley. "We're planning alternative markets for milk products," explains its director Dr Rod Greenshields. "Yogurt, for example, is mostly imported. We will produce it locally with Dyfed milk and home-grown fruit. We also aim to manufacture milk liquers." This is just one of the projects being developed at the Biotechnology Centre in Swansea.

Fermentation is the centre's speciality. It has established a company, Eidawn Fermentation, to design and build its own hardware. It deals chiefly in small computerised fermentation systems. Rod Greenshields is confident that the potential for growth is high: "Only one other British company specialises in this area."

Industrial collaboration is also encouraged. In association with Satec Limited of Crewe, BCW is devising a fast fermentation technique to recover protein from animal slurry so that the nutrients can be fed back to the animals.

"As well as recovering waste protein, we're experimenting with using fungus to recoup metals such as cadmium from water," Dr Greenshields says. "Tests on cadmium have proved successful, so we're anticipating adapting this method to conserve rare metals. Eventually we're hoping to develop a biological way of recovering radioactive waste.

"BCW provides an interface between the University of Wales and industry," Dr Greenshields explains. "Academic research is therefore put to good use in the marketplace. Simultaneously, we offer a consultancy service to industry, and give University College, Swansea's students first-hand experience of business by employing them on industrial projects." Although international collaboration is encouraged with

biotechnologists overseas, the centre was set up to service the needs of Wales. Liaison with other academic institutions in the principality continues on a daily basis, and BCW organises annual biotechnological conferences.

Schools also benefit from its work. A company, Eidawn Bio Supports, has been set up to sell cheap "bug beads" (live bio-organisms stored in beads) for use in school science experiments and sixth formers are invited to the centre's careers advice sessions.

Biotechnology is a growth area in Wales. As the traditional industries of coal and steel close down there is a desperate need for new technology. Biologically orientated companies are moving in—waste recovery firm Biomass International is establishing a base in Clwyd, creating 200 jobs. As the Dyfed dairy project illustrates, the Welsh economy benefits from biotechnology. And Dr Greenshields is convinced that BCW will set the pace for future innovation.

IOLA SMITH



National Radiophone introduce a painless way to start work one hour ahead of your competition

With a National Radiophone, you don't have to wait until your job is finished to start the next one. You can start the minute you leave home.

NOT JUST ANOTHER FRUSTRATED COMPUTER.

While everybody else is twiddling their thumbs, you can be working, managing appointments, solving problems, sending orders and collecting information with your own private car telephone.

Suddenly it's not so important where you get to the office, but how much work you've done before you arrive.

TWELVE EXTRA WORKING WEEKS A YEAR.

Nowhere the advantages of a National Radiophone aren't just limited to commuting times.

Even if you spend only two hours a day behind the wheel, the Radiophone will

inform that there are 10 more working hours available. That's how much time you've got.

YOU CAN'T AFFORD NOT TO HAVE IT.

British Telecom has spent a number of years and many millions of pounds to perfect the remarkable technology behind the System 4 direct dial Radiophone service.

Despite this investment, however, the cost per month or less is £1.49 per month, or you can buy it outright (or you can buy it monthly) and the service bill comes to less than £1 per day plus calls.

021-772 1994

or post to: National Radiophone Limited, Freepost, Camp Hill, Birmingham B11 1ER.

Name _____ Company _____
Address _____ Phone _____

FASTER LETTERS OF CREDIT. FEWER BALANCES IN DEBIT.

'That's the difference'



Standard Chartered has

specialised in international trade for over 130 years.

We have over 2000 branches in more than 60 countries.

And this unique combination of specialist expertise means that whether we're dealing with letters of credit, steering you through the maze of international

exchange control regulations, or ensuring that payments are made swiftly and efficiently anywhere in the world, we can almost certainly make your own export drive a little less burdensome—and a lot more profitable.

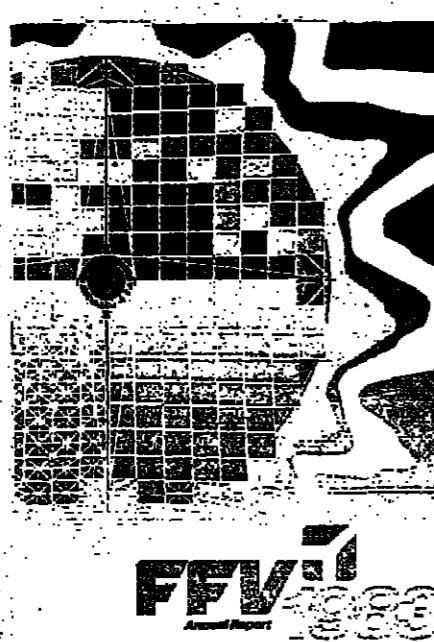
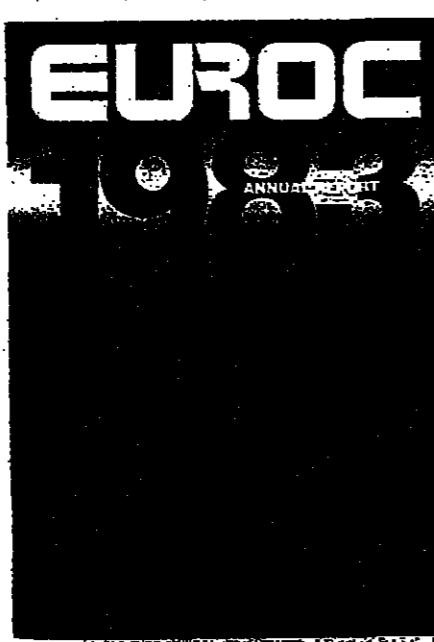
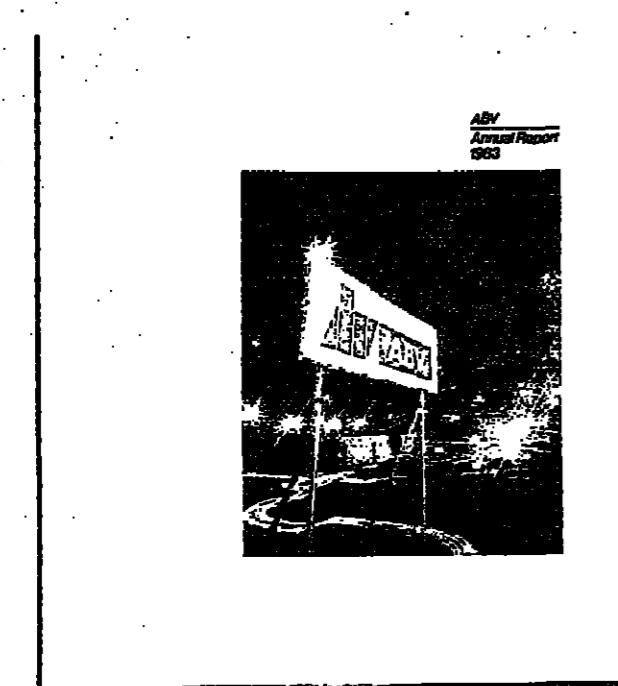
Let's face it, £50 million a year is a difference worth achieving.

Call us today, and let's make a start together.

Standard Chartered

Direct banking, worldwide

Standard Chartered Bank PLC Head Office: 10 Clements Lane, London EC4N 7AB.



GETTING THE WORLD BACK TO WORK.

This is the challenging theme of the 1984 International Chamber of Commerce Congress for top businessmen being held in Stockholm this summer.

Send for any one or all of these free annual reports and see how innovative management and investment in new technologies are key factors in helping Swedish companies achieve this end.

The Swedish contribution.

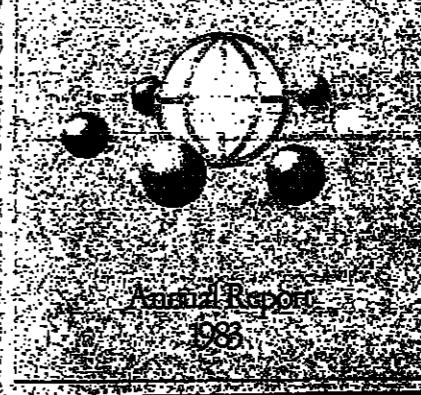
Annual Report 1983
MoDo



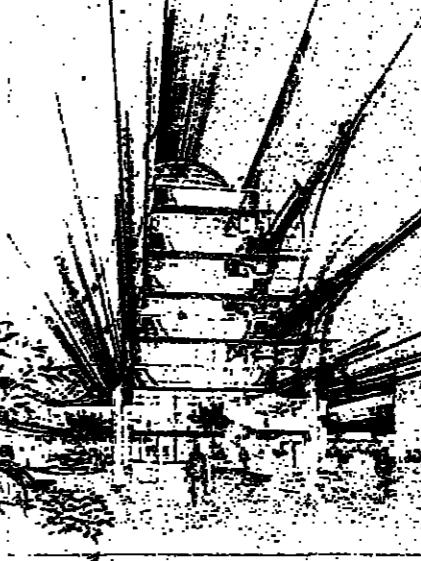
Perstorp



SoneSSons



Annual Report
1983



MARTIN DWORÉN, SECRETARY GENERAL,
SWEDISH NATIONAL COMMITTEE OF THE ICC
BOX 16050 S-103 22 STOCKHOLM, SWEDEN

100⁸⁴

Please send your free copies of the annual reports circled below:

**ABV BOLIDEN ESSELTE EUROC FFV
MODO PERSTROP SONESSONS STATSFORETAG
SWEDISH MATCH**

Name (Please print) _____

Address _____

City + Area code _____

Country _____

Title _____

(Offer expires Dec 1 1984)

APPOINTMENTS

Upper echelons at Barclays Bank

The following senior appointments have been made by BARCLAYS BANK effective from January 1: Mr Laurie King, Mr Robert Whittle and Mr George Maddison become deputy general managers of personal banking department. Mr Peter Ward is appointed treasurer and Mr Raymond Waterson deputy treasurer. Mr Don Lonsdale becomes divisional general manager, management services department. Mr Gordon Alexander and Mr Syndercombe Coleridge are appointed divisional general managers and deputy divisional general managers respectively, in corporate division.

GUINNESS PEAT GROUP has appointed Mr John M. Thomson to the board as a non-executive director. He is a deputy chairman of London and Manchester Group.

RAVENSDOWN GROUP has made the following appointments: At RDM Metals Stockholders (Midlands), Mr Tony White, previously chief executive/general manager, RDM Metals (West Midlands), has been appointed a director of RDM Metals Stockholders (Midlands). Within that company Mr John Nichols is to be chief executive and general manager, RDM Metals (East Midlands) at Derby and Mrs Rosemarie Wright is promoted to the same position at RDM Metals (West Midlands) in Birmingham. At RDM Metals Stockholders, Mr John Ainsworth has been appointed general manager, RDM Metals

A £13m contract has been placed with THORN EMI ELECTRONIC by the Ministry of Defence for an advanced new type of hand-held thermal imager for service with the British Army. Weighing less than 8kg it is suitable for a wide range of uses requiring a high degree of mobility such as reconnaissance, night fire control and forward observation. The hand-held thermal imager operates by detecting radiation of infrared energy. Completely independent of ambient light, it can also "see" through smoke, haze, mist and most forms of camouflage. Unlike image intensifiers, it is not blinded by flares or searchlights and exhibits the same characteristics by both day and night.

A contract, valued at around £10m, has been awarded by the Ministry of Electricity and Water, Government of Kuwait, to EICC SUPERVISION

CARLESS of Erith, Kent. The contract is for the supply and installation of over 25 Km of 132 kV oil filled cables, 88 Km of pilot and telephone cables with all associated accessories. Installation of the cables will commence in 1984 and is scheduled for completion in early 1986.

HARRIS CORPORATION of Melbourne, Florida, has been awarded a contract by the U.S. Navy for computerised avionics test systems and associated support services. Valued at more than \$13m (£10m), the Navy ordered for the additional production units of the Harris Series 2000 automatic test systems which are used for high-speed check-out of avionics equipment on aircraft such as the F/A-18, F-14, A-4, A-6E, EA-6B, AV-8B and the LAMPS Mark III helicopter. The contract was awarded to Harris' Government support

systems division, based on Long Island, NY.

TREND COMMUNICATIONS, the data communications division of Phicom, has received a contract to supply the British Army with £5.6m worth of teletypewriter equipment designed to Tempest requirements.

PLESSEY has won a NZ\$11.5m (£5.47m) contract to provide a secure, all-digital defence communications network to replace New Zealand's existing defence communications system. The contract will cover a major restructure for telephone, telegraph, data and facsimile transmission using elements of MRS, the multi-role system developed by Plessey Defence Systems based at Christchurch in the U.K. The contract provides for the delivery of MRS-standard systems, hardware, and software,

with common logistic support under Australian and New Zealand co-operative defence arrangements. The network will be based on switching node installations in the major New Zealand cities Auckland, Christchurch and Wellington, with user terminals at military sites in the north and the south islands.

A £2.6m contract to convert the former Guildford office of the AA into a cable television centre has been won by LOVELL CONSTRUCTION (SOUTHERN) LTD. Work for Rediffusion Vision, has started and involves the construction of a three-storey extension of around 1,400 sq metres. The project will be completed inside 12 months. Electrical and mechanical engineering and the acoustic requirements of studios form a large part of the conversion.

(London), Mr Ian Maclean retaining his position as chief executive of RDM Metals (UK) with overall responsibility for the ever complex of stockholding and

R. Saunders has been appointed a director of Larpent Newton and Co.

director on October 1, following his retirement at the end of September. Mr Bennett's successor as surveyor is to be Mr John Case, who joined Pearl on July 2.

Mr James Eyles has joined STC in the newly-created position of director, international business. His role is to review worldwide business opportunities, identify

new opportunities outside

Imperial Foods has decided to seek new opportunities outside Imperial Foods. Mr Young will relinquish his position as chairman and chief executive of Young's Seafoods and as a member of the joint management board on July 31. He will, however, remain a director of Imperial Foods until October 31.

Mr John Feulkes, chairman and chief executive of Ross Foods, will in addition be appointed chairman and chief executive of Young's Seafoods from August 1.

Mr D. L. Bernstein, commercial director of Dan-Air Services, has been appointed to the board of the parent company, DAVIES & NEWMAN HOLDINGS. Two associate directors of Dan-Air Services have been appointed directors—Mr John W. Varrier, general manager school of services division, and Mr E. Malcolm Davies, associate personnel director.

Mr Nicholas Branch has ceased to be a director of LARPENT NEWTON AND CO. He has become chairman of Chardfield and Co (London) and Chardfield and Co Inc (New York). Mr Donald

gaps in the current operations and co-ordinating activities internationally and within any country.

Mr Eyles will become chief director and deputy head of Shell's regional centre for Latin America and the Caribbean in Caracas.

Mr Stanley Bennett, who has been the PEARL ASSURANCE COMPANY'S surveyor since 1977, became a non-executive

director on October 1, following his retirement at the end of September. Mr Bennett's successor as surveyor is to be Mr John Case, who joined Pearl on July 2.

Mr A. J. S. Duckworth and Mr W. J. B. Girardet have retired from the board of PHILIP HILL INVESTMENT TRUST.

*

Mr Robin Christie has relinquished his post as company secretary of TAYLOR WOODROW but will continue as a director. Mr Richard Morley has been appointed company secretary in his place. He was company secretary of Taylor Woodrow International.

*

Mr Geoffrey O'Connell has been appointed to the board of BELWAY SERVICES, a subsidiary of Bellway. Mr O'Connell has been associated with Bellway as a consultant over the last three years.

*

Mr Jasper Hollom has been appointed a director of EAGLE STAR HOLDINGS and EAGLE STAR INSURANCE COMPANY.

*

Mr George Cross has joined MANAGEMENT APPOINTMENTS as a director. He was previously with Korn/Ferry International in London.

*

Mr G. S. Locke, previously managing director of Turner & Newall's subsidiary Ferodo (Pty), South Africa, has been appointed sales director of COOPERS FILTERS, a T&N subsidiary in the UK.

*

Mr Stanley Bennett, who has been the PEARL ASSURANCE COMPANY'S surveyor since 1977, became a non-executive

director on October 1, following his retirement at the end of September. Mr Bennett's successor as surveyor is to be Mr John Case, who joined Pearl on July 2.

*

Mr A. J. S. Duckworth and Mr W. J. B. Girardet have retired from the board of PHILIP HILL INVESTMENT TRUST.

*

Mr Robin Christie has relinquished his post as company secretary of TAYLOR WOODROW but will continue as a director. Mr Richard Morley has been appointed company secretary in his place. He was company secretary of Taylor Woodrow International.

*

Mr Geoffrey O'Connell has been appointed to the board of BELWAY SERVICES, a subsidiary of Bellway. Mr O'Connell has been associated with Bellway as a consultant over the last three years.

*

Mr Jasper Hollom has been appointed a director of EAGLE STAR HOLDINGS and EAGLE STAR INSURANCE COMPANY.

*

Mr George Cross has joined MANAGEMENT APPOINTMENTS as a director. He was previously with Korn/Ferry International in London.

*

Mr G. S. Locke, previously managing director of Turner & Newall's subsidiary Ferodo (Pty), South Africa, has been appointed sales director of COOPERS FILTERS, a T&N subsidiary in the UK.

*

Mr Stanley Bennett, who has been the PEARL ASSURANCE COMPANY'S surveyor since 1977, became a non-executive

director on October 1, following his retirement at the end of September. Mr Bennett's successor as surveyor is to be Mr John Case, who joined Pearl on July 2.

*

Mr A. J. S. Duckworth and Mr W. J. B. Girardet have retired from the board of PHILIP HILL INVESTMENT TRUST.

*

Mr Robin Christie has relinquished his post as company secretary of TAYLOR WOODROW but will continue as a director. Mr Richard Morley has been appointed company secretary in his place. He was company secretary of Taylor Woodrow International.

*

Mr Geoffrey O'Connell has been appointed to the board of BELWAY SERVICES, a subsidiary of Bellway. Mr O'Connell has been associated with Bellway as a consultant over the last three years.

*

Mr Jasper Hollom has been appointed a director of EAGLE STAR HOLDINGS and EAGLE STAR INSURANCE COMPANY.

*

Mr George Cross has joined MANAGEMENT APPOINTMENTS as a director. He was previously with Korn/Ferry International in London.

*

Mr G. S. Locke, previously managing director of Turner & Newall's subsidiary Ferodo (Pty), South Africa, has been appointed sales director of COOPERS FILTERS, a T&N subsidiary in the UK.

*

Mr Stanley Bennett, who has been the PEARL ASSURANCE COMPANY'S surveyor since 1977, became a non-executive

director on October 1, following his retirement at the end of September. Mr Bennett's successor as surveyor is to be Mr John Case, who joined Pearl on July 2.

*

Mr A. J. S. Duckworth and Mr W. J. B. Girardet have retired from the board of PHILIP HILL INVESTMENT TRUST.

*

Mr Robin Christie has relinquished his post as company secretary of TAYLOR WOODROW but will continue as a director. Mr Richard Morley has been appointed company secretary in his place. He was company secretary of Taylor Woodrow International.

*

Mr Geoffrey O'Connell has been appointed to the board of BELWAY SERVICES, a subsidiary of Bellway. Mr O'Connell has been associated with Bellway as a consultant over the last three years.

*

Mr Jasper Hollom has been appointed a director of EAGLE STAR HOLDINGS and EAGLE STAR INSURANCE COMPANY.

*

Mr George Cross has joined MANAGEMENT APPOINTMENTS as a director. He was previously with Korn/Ferry International in London.

*

Mr G. S. Locke, previously managing director of Turner & Newall's subsidiary Ferodo (Pty), South Africa, has been appointed sales director of COOPERS FILTERS, a T&N subsidiary in the UK.

*

Mr Stanley Bennett, who has been the PEARL ASSURANCE COMPANY'S surveyor since 1977, became a non-executive

director on October 1, following his retirement at the end of September. Mr Bennett's successor as surveyor is to be Mr John Case, who joined Pearl on July 2.

*

Mr A. J. S. Duckworth and Mr W. J. B. Girardet have retired from the board of PHILIP HILL INVESTMENT TRUST.

*

Mr Robin Christie has relinquished his post as company secretary of TAYLOR WOODROW but will continue as a director. Mr Richard Morley has been appointed company secretary in his place. He was company secretary of Taylor Woodrow International.

*

Mr Geoffrey O'Connell has been appointed to the board of BELWAY SERVICES, a subsidiary of Bellway. Mr O'Connell has been associated with Bellway as a consultant over the last three years.

*

Mr Jasper Hollom has been appointed a director of EAGLE STAR HOLDINGS and EAGLE STAR INSURANCE COMPANY.

*

Mr George Cross has joined MANAGEMENT APPOINTMENTS as a director. He was previously with Korn/Ferry International in London.

*

Mr G. S. Locke, previously managing director of Turner & Newall's subsidiary Ferodo (Pty), South Africa, has been appointed sales director of COOPERS FILTERS, a T&N subsidiary in the UK.

*

Mr Stanley Bennett, who has been the PEARL ASSURANCE COMPANY'S surveyor since 1977, became a non-executive

director on October 1, following his retirement at the end of September. Mr Bennett's successor as surveyor is to be Mr John Case, who joined Pearl on July 2.

*

Mr A. J. S. Duckworth and Mr W. J. B. Girardet have retired from the board of PHILIP HILL INVESTMENT TRUST.

*

Mr Robin Christie has relinquished his post as company secretary of TAYLOR WOODROW but will continue as a director. Mr Richard Morley has been appointed company secretary in his place. He was company secretary of Taylor Woodrow International.

*

Mr Geoffrey O'Connell has been appointed to the board of BELWAY SERVICES, a subsidiary of Bellway. Mr O'Connell has been associated with Bellway as a consultant over the last three years.

*

Mr Jasper Hollom has been appointed a director of EAGLE STAR HOLDINGS and EAGLE STAR INSURANCE COMPANY.

*

Mr George Cross has joined MANAGEMENT APPOINTMENTS as a director. He was previously with Korn/Ferry International in London.

*

Mr G. S. Locke, previously managing director of Turner & Newall's subsidiary Ferodo (Pty), South Africa, has been appointed sales director of COOPERS FILTERS, a T&N subsidiary in the UK.

*

Mr Stanley Bennett, who has been the PEARL ASSURANCE COMPANY'S surveyor since 1977, became a non-executive

director on October 1, following his retirement at the end of September. Mr Bennett's successor as surveyor is to be Mr John Case, who joined Pearl on July 2.

*

Mr A. J. S. Duckworth and Mr W. J. B. Girardet have retired from the board of PHILIP HILL INVESTMENT TRUST.

*

Mr Robin Christie has relinquished his post as company secretary of TAYLOR WOODROW but will continue as a director. Mr Richard Morley has been appointed company secretary in his place. He was company secretary of Taylor Woodrow International.

*

Mr Geoffrey O'Connell has been appointed to the board of BELWAY SERVICES, a subsidiary of Bellway. Mr O'Connell has been associated with Bellway as a consultant over the last three years.

*

Mr Jasper Hollom has been appointed a director of EAGLE STAR HOLDINGS and EAGLE STAR INSURANCE COMPANY.

UK NEWS

Retail sales volume up by 1.2% on month

BY PHILIP STEPHENS AND LISA WOOD

SPENDING in the shops rebounded last month to just below the record levels reached in April, according to official figures released yesterday.

The Department of Trade and Industry said that the volume of retail sales rose by 1.2 per cent in June after falling slightly in the previous month.

The increase, which was above most expectations, took sales in the second quarter of 1984 to about 3 per cent above the relatively depressed level in the first three months of the year and to 4 per cent higher than in the April-June period in 1983.

Much of the rise came from a surge in sales of clothing and footwear, but retailers reported that turnover of other consumer goods also remained healthy. The department's index rose to 112.0 in June from 110.7 in May and compared to a record 112.2 in April (1980 = 100).

The figures tend to support the Government's view that consumer spending, so far the main impetus to economic recovery, will remain buoyant this year.

Most outside analysts believe, however, that the recent rise in bank interest and mortgage rates will limit the rapid expansion of consumer credit that has up to now financed much of the spending spree.

The personal sector is a net beneficiary of higher interest rates - bigger returns paid to savers outweigh the extra interest charges on borrowers - but the extra cash is more likely to be channelled into increased saving than into spending.

WORLD VALUE OF THE DOLLAR
every Friday in the Financial Times



The ratio of personal saving to earnings is also at an historically low level, so most independent forecasters expect consumer spending during the year as a whole to rise by closer to 2 per cent than the 3 per cent forecast by the Government.

Retailers are hoping for 3 per cent real growth this year, despite the present industrial unrest and the increase in mortgage rates.

"Dearer borrowing will inevitably affect us, but it depends on how long rates stay high," the Retail Consortium, which represents some of the largest businesses, said.

Mr David Johnson, chief executive of Rumbelows, a big electrical goods chain, said: "We will not see a sudden downturn in consumer spending. But we do need the industrial unrest out of the way before confidence starts to ebb."

LONG TERM INVESTMENTS NEED SHORT TERM INCENTIVES



Starting up a new plant or expanding into new markets is a long term business investment. Hard earned cash and executive time is at a premium during these early stages - getting the project from the drawing board into operation. That's where our package of incentives can really help. Substantial cash grants for buildings and machinery, rent free periods in new factory units and special grants to service industries.

Contact us today and we could help you over that short term with our incentives.

Mid Glamorgan

Industrial Development and Promotion Unit, Mid Glamorgan County Council, Greyfriars Road, Cardiff CF1 3LG. Telephone Cardiff (0222) 28033

TRADEWINDS AIRWAYS GATWICK AIRPORT

ATTENTION ALL EXPORTERS/IMPORTERS!

Worried about moving your exports and imports during the dock strike?

Call Tradewinds Airways, the UK's largest all-cargo jet airline for split and single-load charters worldwide.

Additional aircraft now available to operate short and long-haul flights.

Scheduled services twice weekly to/from U.S./Canada/Sudan/Nigeria.

Truck links with major airports.

Tel: 01-668 9273 and 0293 513811/541381

Telex: 87427 TRADCO G

TRADEWINDS AIRWAYS GATWICK AIRPORT



WE THE LIMBLESS, LOOK TO YOU FOR HELP

We come from both world wars. We come from Korea, Kenya, Malaya, Aden, Cyprus, Ulster and from the Falklands.

Now disabled, we must look to you for help. Please help us to live our full potential.

BLEMSA looks after the limbless from all the Services. It helps to overcome the shock of losing arms, or legs, or eyes. And those severely handicapped, it provides Residential Homes where they can live in peace and dignity.

Help the disabled by helping BLEMSA. We promise you that not one penny of your donation will be wasted.

Giving to those who gave - please

BLEMSA
BRITISH LIMBLESS
EX-SERVICE MEN'S ASSOCIATION



Minet refuses to raise £38m offer to Lloyd's underwriters

BY JOHN MOORE, CITY CORRESPONDENT

MINET HOLDINGS and Alexander & Alexander Services, two large insurance broking groups, yesterday refused to increase a £38.14m compensation offer to Lloyd's underwriting members whose funds allegedly have been misappropriated.

Representatives of a 14-man steering committee yesterday met with Minet in an effort to secure a better settlement before a deadline for acceptance of the compensation offer. The deadline is on Thursday.

The offer was made after Minet alleged that former underwriting executives had misappropriated more than £38m belonging to 1,300 underwriting members over 14 years.

The appeal to Minet was made yesterday after the completion of a special accountants' report prepared by Price Waterhouse for the steering committee. The committee

represents 160 underwriting members who are concerned that insufficient information has been given to them about the proposed compensation.

Price Waterhouse has calculated that up to £40m in interest on alleged misappropriated funds of more than £38m may not be accounted for.

The underwriting members face huge tax penalties and liabilities which the Inland Revenue intends to seek, irrespective of whether or not underwriting members accept the offer. The Inland Revenue has indicated that it will be seeking tax payments of £16m on the alleged irregular trading.

This could rise to £30m once the Inland Revenue decides what penalties to impose and the amounts it regards as being in arrears on other underwriting accounts.

Wedd Durlacher and Lehman end dispute

BY OUR CITY CORRESPONDENT

WEDD Durlacher Mordaunt, one of the biggest UK stockbrokers or market makers, has settled a \$2m dispute with Shearson Lehman American Express, part of the American Express group.

Wedd Durlacher last month announced that it was ceasing business with American Express because of the litigation which had been brought by the subsidiary.

As a result of the settlement, both sides said yesterday that "it is anticipated that the excellent relationship which had existed between Shearson and Wedd Durlacher prior to Shearson's acquisition of Lehman Brothers will continue."

The action arose when Merrill Lynch sued Wedd Durlacher last November over the collapse of C.

JAGUAR CARS is likely to be floated on the London Stock Exchange at the end of this month with an offer price of 185p-200p a share, providing a market capitalisation of between £380m and £390m, the view of brokers James Capel.

Capel's presentation yesterday of its assessment of Jaguar's prospects coincided with fellow brokers Simons & Coates stating its view of the luxury car maker, at present part of state-owned BL.

While there were considerable risks attached to the business, Simons & Coates said "in our opinion these are well covered by any selling price below £300m and the Jaguar offer for sale will present an excellent buyer opportunity."

James Capel forecasts 1984 pre-tax profits of £85.5m, after £51m last year. This would yield £1.5m per share. For 1985, the broker forecasts profits of between £90m and £115m.

Minet has made its compensation offer with Alexander & Alexander Services, the group which owns Alexander Howden. It has been alleged that former executives of Minet used Howden companies to channel the underwriting members' funds offshore to companies owned by the former executives.

At yesterday's meeting, representatives of the steering committee were told that the deadline would have to stand because of Lloyd's insistence that its solvency deadline of July 21 must be met. Underwriters affected by the problems at Minet have to show that they can meet £37m of underwriting losses which have fallen on the syndicates which they form at Lloyd's.

So far, 500 underwriting members have indicated that they will accept the offer. At least 100 underwriting members are expected to turn it down.

Market value of Jaguar put at £330m plus

By John Griffiths

JAGUAR CARS is likely to be floated on the London Stock Exchange at the end of this month with an offer price of 185p-200p a share, providing a market capitalisation of between £380m and £390m, the view of brokers James Capel.

Capel's presentation yesterday of its assessment of Jaguar's prospects coincided with fellow brokers Simons & Coates stating its view of the luxury car maker, at present part of state-owned BL.

While there were considerable risks attached to the business, Simons & Coates said "in our opinion these are well covered by any selling price below £300m and the Jaguar offer for sale will present an excellent buyer opportunity."

James Capel forecasts 1984 pre-tax profits of £85.5m, after £51m last year. This would yield £1.5m per share. For 1985, the broker forecasts profits of between £90m and £115m.

POLICY REVIEW URGES DEREGULATION OF DOMESTIC AIR NETWORK

Break-up of air routes signalled

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE HIVING-OFF to independent airlines of a substantial part of the state-owned British Airways' short-haul European network and some long-haul air routes is recommended by the Civil Aviation Authority (CAA) in its long awaited policy review.

The CAA also suggests that there should be a substantial deregulation of UK domestic air transport with a two-year experiment allowing airlines to fly on any routes they choose other than those serving Heathrow and Gatwick, near London, and an end to regulation of domestic air fares.

It says it does not believe that the reallocation of routes will diminish prospects of privatising the state airline.

British Airways said last night that it would resist any arbitrary reduction of its routes. Tampering with the airline's structure would only benefit foreign competition, it said.

Recommendations to the Government include:

- Lifting the proposed ceiling of 275,000 air transport aircraft movements a year at Heathrow, and revise upwards the limits at Gatwick.

- Permitting competition with British Airways at Heathrow, even if this means imposing some reductions on BA's frequencies and some re-allocation of peak-hour landing and take-off slots.

- Giving the CAA more power to prevent or remedy anti-competitive behaviour, especially in the holiday charter and other markets. At the same time the CAA rejects the hiving-off of British Airports, as a separate unit, or passing it to the independent airlines.

- Giving legislative backing to

powers for the reallocation of routes. These powers would lapse once the reallocation had taken place.

The review, conducted at the request of Mr Nicholas Ridley, Secretary for Transport, aims to achieve a multi-airline policy in a competitive environment, even though the scope for direct competition between British airlines is limited.

"Such an environment is best suited for stimulating efficiency, improving service to users, encouraging innovation, facilitating substitution of airlines, and enabling British airlines to compete more effectively in foreign markets," the CAA says.

It does not necessarily accept that the BA routes to be reallocated should go to British Caledonian (BCal), but suggests that other short-haul airlines should be encouraged to bid for them, thus enhancing their competitiveness and moderating the present competitive imbalance to some extent.

On long-haul routes, however, the authority accepts that BCal is the most likely flier of the competitive role to BA and foreign airlines.

Reallocation of routes is the most far-reaching measure proposed in the review document. The CAA suggests that all BA's short-haul European routes, flying out of airports in the UK other than Heathrow should be passed to the independent airlines.

These include: Gatwick to Barcelona, Bologna, Copenhagen, Gibraltar, Lisbon, Madrid, Malaga, Naples, Porto, Stockholm and Valencia.

Aberdeen to Paris (via Glasgow).

Belfast to Milan (via Manchester).

Birmingham to Amsterdam, Dub-

lin, Dusseldorf, Frankfurt, and Paris.

Edinburgh to Dusseldorf (via Birmingham).

Glasgow to Dusseldorf (via Manchester).

Manchester, to Amsterdam, Brussels, Copenhagen, Dublin, Dusseldorf, Frankfurt (via Birmingham), Milan, Nice, Paris and Rome.

In addition, the authority believes that such long-haul routes as Harare in Zimbabwe could be passed to BCal in conjunction with that airline's existing service to Lusaka, and that BCal could also serve Dhahran and Jeddah in addition to Riyadh.

Other opportunities for long-haul competition are limited owing to the intransigence of overseas governments. Only New York, Miami, Toronto and possibly Australia offer opportunities, and perhaps also in the long-term Japan and points in eastern, western and southern Africa.

The authority would wish to be in a position to prevent or remedy anti-competitive behaviour by any airline.

At the same time, the CAA does not want to weaken BA's scheduled service hub system based on Heathrow. For that reason it is only suggesting the transfer to the independent sector of the routes to Europe flown out of airports other than Heathrow.

The authority believes that the national interest continues to be best served by providing opportunities for other airlines to enter the markets served by British Airways, in direct or indirect competition or by process of substitution where competition is ruled out.

"They can do this only if they are enabled to grow and increase their market share."

"This in turn implies a need to reduce further the existing competitive imbalance in the industry. Without such correction, the authority is concerned that British Airways, given its strength and advantages, might emerge as Britain's one privately owned, but less than efficient, monolith."

Civil Aviation Authority: *Airline Competition Policy: final report: CAP 500*. CAA, London, C3.

Leading article, Page 12

TWA to and through the USA

Philadelphia non-stop daily.

Direct flight every day from Heathrow, departing 11.30, arriving Philadelphia 14.15.

TWA also flies to over 60 other U.S. cities.

See your TWA Main Agent.

You're going to like us

TWA

Compaq. The take-away that took over America.

Here's living proof that you can take it with you when you go.

And she's taking with her a new computer that's not only more compact than IBM[®] but offers true compatibility with IBM[®] software.

This personal computer called Compaq[®] weighs in at only 28lb. So it can be carried around easily and operating within seconds. Compaq[®] can then be used as a fully-fledged desk-top business aid or moved swiftly to another venue.

This simple concept was the brainchild of three American computer experts in 1982.

Within a year Compaq[®] was the biggest success in the history of American business.

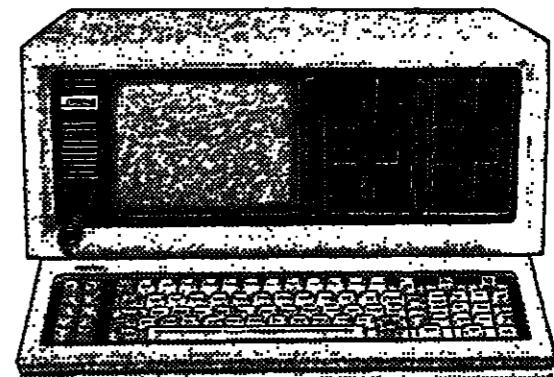
Within a year Compaq[®] was the number two to IBM[®] in the 16-bit micro computer market.

And number one choice for many of the top companies in the Fortune 1,000.

Because Compaq[®] delivers 256K byte RAM, all within a tough outer casing that even repels bullets. So it's going to be around a long time.

Ask 100,000 Americans what they found so right about Compaq[®]. Or write for details of your nearest authorised dealer to:

N.Jacobs, Compaq[®], Ambassador House,
Paradise Road, Richmond, Surrey TW9 1SQ.



COMPAQ[®]
COMPUTER LIMITED

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Tuesday July 17 1984

No revolution in pensions

MR NORMAN FOWLER'S discussion document on personal pensions ranges far and wide but ultimately pulls some important punches. For the right wing theorists who started the whole debate, it will prove a severe disappointment because individual control over the investment of pension contributions will be minimal—they will be locked in various sorts of traditional investment institutions. And the decision not to force employers to make contributions into personal plans lets the occupational schemes off the hook and severely limits the relevance of the whole portability idea.

More than anything else, the proposals are likely to affect the scale of the State earnings-related pensions scheme—the only scheme from which individuals will actually have the right to demand rebated contributions for diversion into their own individual arrangements.

The background to the proposals is that some 11m employees are members of occupational schemes, the majority of which are contracted out of the State earnings-related schemes and membership of which is a condition of employment. But about the same number of people work for employers without occupational schemes. They must pay contributions to the State earnings-related scheme, but may also voluntary pay into so-called section 226 schemes on an individual top-up basis, subject to Inland revenue tax limitations.

Commitments

The Fowler proposals envisage that employees should have the right to refuse to join an occupational scheme. But if they did so, they would risk losing the whole of the benefit of the employers' contribution, which at present for staff schemes is typically 12 per cent of salary (though it varies significantly not only from scheme to scheme but also from year to year). In exchange, they would be entitled to rebated employers' national insurance contributions of 4.15 per cent.

This could still be worthwhile for rapid job-changers who do not expect to stay the five years in each scheme which qualifies them for something more than their own contributions back. There would be attractions, for instance, for younger women whose family commitments make their early career pat-

"THE HOBBLED GIANT" is the unfaltering way in which Mr Stanley Please, a former senior executive at the World Bank describes the \$55bn Washington-based financial institution which is the largest single source of development funds for the world's poorer nations.

The description is particularly painful for the Bank's top executives, for it cruelly encapsulates a view of the lending agency which is widely shared both inside and outside its headquarters.

At a recent seminar for its executives, Mr Paul Volcker, chairman of the Federal Reserve Board, asked pointedly why the Bank, which is committing some \$15bn of new loans a year, has not been doing more to help the world cope with the international debt crisis.

Bank officials retort that they have, quietly, been doing more than they have been given credit for, and would have done even more if key shareholders, particularly the U.S., were prepared to support them more vigorously.

But they also complain regularly that the Bank's expertise is "underutilised". Mr Eugene Roberts, the president and managing director for raising more than \$10bn a year on the international markets says that if its shareholders approved the use of a wider array of financial instruments, the bank could tap a larger share of world savings for transfer to the developing world.

The Bank is at a crossroads not only in terms of the kind of lending it will do, but also the volume," he adds.

At the beginning of the year, as part of an exercise aimed at laying the ground work for an increase in its capital, a dozen task forces within the institution set out to define "the future role of the Bank."

But its desire to play a larger role in development finance seems bound to stir up major controversy among the 144 governments which own the institution, and divide the developed nations from the developing ones.

For if the Bank is to persuade the industrial countries that provide the backing for its loans that it can do more to help Third World development, it will have to demonstrate that its resources will not be wasted.

The clear implication—and it is one which some Bank officials are not ducking—is that broader conditions, more closely integrated with the programmes of the International

Bank's expertise is said to 'underutilised'

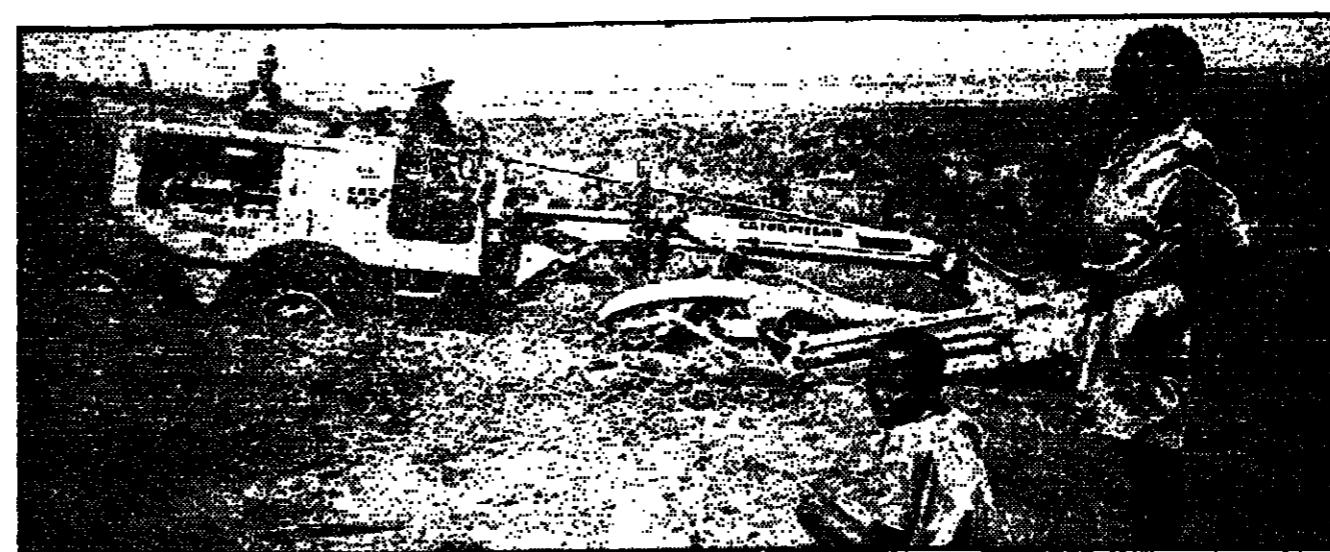
Monetary Fund, will be attached to bank loans.

The developing countries are extremely worried about this.

"If this is the price to get a capital increase, I am not prepared to pay that price," says one bank executive director representing developing countries.

The climate in which the Bank's planning exercise is being undertaken could scarcely be worse in one sense or better in another. Developing countries, burdened by debt, recession and in 1983 net outflows of capital of around \$21bn, are desperately in need of the sort of funds which the World Bank supplies.

But there is a profound scepticism amongst some industrial countries which finance international lending agencies such as the Bank about just



One of the Bank's development projects in Kenya.

The World Bank



Mr A. W. Clausen, World Bank president

The 'hobbled giant' at a crossroads

Stewart Fleming reports
from Washington



Mr Beryl Sprinkel: sounded a warning.

how effective their operations have been. This has been underlined by the struggle the bank was faced to secure a 3-year \$3bn increase in the resources of its soft loan affiliates, the International Development Association.

Bank officials recognise that they are walking a tightrope. If they can't come up with a plan for the future which has enough support among shareholders, either the institution should be asked to take on a broader role.

The alternative is that its influence and its reputation could begin to wane—something which, if it is widely believed, its largest and most influential shareholders, the United States, would dearly like to see.

A full-scale debate about the role of the Bank is expected at the annual meeting of the IMF and the Bank in Washington in September. But at the London Summit in June the developed countries gave a signal of what they want if not the U.S. are thinking—at a time when the problems of developing world are playing so crucial a role in the health of the world economy. The summit communiqué called for the Bank and the IMF to examine the opportunities for closer co-operation.

In part, this stems from a wider acceptance that the world debt crisis is not the transitory phenomenon assumed two years ago, but if not treated will grow.

away at the economic development prospects of some countries for a decade or more.

The logic of closer co-operation between the two sister institutions has thus become inescapable, the argument runs.

The IMF, with its focus on macro-economic policy steps, aimed at rapidly correcting the balance of payments problems of a country, is essentially a short-term financing institution.

The World Bank has a longer time horizon. It has a contrasting grass roots micro-economic expertise in fostering economic development through economic projects such as irrigation schemes or industrial plants.

But increasingly since 1980

it has been expanding its lending to whole sectors such as export industries, agriculture and, some say, belatedly paying more attention to the broader economic policy framework.

Officials point to the structural adjustment lending programme for Turkey as an example of the trend.

As Mr Beryl Sprinkel, U.S. Treasury Under-Secretary for Monetary Affairs says: "It's not for us to select good projects if at the same time the nation is pursuing broader economic policies that almost certainly will prevent development in that country."

But Mr Muir P Benjek,

vice-president of the bank for external relations, who retires this summer, says: "on the basis of 30 years of experience I believe that that these capital flows (to developing countries) whether private or public, whether loans or aid have a good chance of being successful if they are not linked to conditions of sound economic use."

Mr Benjek describes as "a dialogue of the deaf" the debate between the developed and the developing countries with industrial donor countries holding out for less money and more conditionality and the developing countries for more money and less conditionality," he says.

It is argued that by working more closely together, the IMF and the World Bank can contribute to the formulation of a longer term economic strategy for a country better than the IMF alone. Indeed, IMF officials say they are already making valuable use of the bank's expertise. They can also try to ensure that the funds put into a country are used more effectively. The short-term macroeconomic conditions associated with an IMF programme will, it is suggested, lead naturally into the monitoring and conditions attached to World Bank lending.

To developed countries which

want to see the funds they are providing used efficiently the logic of the approach has its attractions.

For the borrowers, however, the idea of closer co-operation between the IMF and the Bank and longer term monitoring of their economies across the broad range of activities which the Bank tends to involve itself in, is a rather more questionable prospect.

Treading the narrow line between effectively monitoring its lending, to satisfy the industrial donor countries, and sensitively responding to the anxieties of the developing countries promises to be fraught with difficulty. It will, for example, demand considerable progress in the way the IMF

and the World Bank, institutions with very different attitudes, work together. Some officials are suggesting that it might be best if, in a particular country, the two decided which was to be the "lead" agency in negotiations. Others fear the danger of formalising the nascent co-operation that is already evolving.

While the bank's role in heavily indebted developing countries is bound to be a focus of attention, the Bank itself has a much broader agenda for the future around which it hopes to build a consensus of support.

Officials talk of the "catalytic role" of the bank as an institu-

tion

for

the

World

Bank

Trollope & Colls (City)
BUILD WITH CONFIDENCE.
call Patrick Trollope
01-377 2500.

FINANCIAL TIMES

Tuesday July 17 1984

AIR CONDITIONING & HEATING
LOCATION: LONDON NATIONWIDE
TEL: 01-540 3411/903 0081
ANDREWS &
Andrews Group PLC

FINAL COUNTDOWN TO DEMOCRATS' PRESIDENTIAL NOMINATION

Hart refuses to concede the race

BY REGINALD DALE, U.S. EDITOR, IN SAN FRANCISCO

SENATOR Gary Hart of Colorado defiantly refused to concede defeat yesterday in his bid for this year's Democratic presidential nomination. He promised to fight to the finish at the party convention that was due to open in San Francisco last night.

Mr Hart said he still expected to win the nomination in tomorrow night's roll-call ballot of state delegations, although Mr Walter Mondale has well over the paper majority of 1,967 "pledged" delegates needed for victory.

Mr Hart, who seemed more exuberant than at almost any time in the past bruising five months of Democratic presidential primaries and caucuses, said he would not try to exploit the confusion and indecision demonstrated by Mr Mondale at the weekend over the reorganisation of the party leadership.

Mr Mondale first dismissed and then equally suddenly reinstated Mr Charles Manatt, a Los Angeles lawyer, as party chairman after a mounting outcry over what critics

alleged was Mr Mondale's high-handed behaviour.

Mr Mondale had initially wanted to replace Mr Manatt with Mr Bert Lance, the Georgia Democratic Party chairman, as a conciliatory gesture to voters in the South. Mr Lance has now finished up in the influential post of "general chairman" of Mr Mondale's campaign, while Mr Manatt, who was responsible for the controversial decision to take the convention to California, remains party chairman.

Mr Lance was President Jimmy Carter's short-lived budget director who resigned after allegations – never substantiated – of unethical banking practices. He is controversial in the party but highly popular in the South, where the northern Mondale-Ferraro ticket will need all the help it can get.

Many of the almost 4,000 delegates were upset by Mr Mondale's action, which they felt, at least temporarily, risked destroying the impact of the political coup he scored last week by choosing Ms Geraldine Ferraro as his running mate – the

first woman to be placed in nomination for the White House by a prominent political party.

Although Mr Hart said he would win without exploiting Mr Mondale's "mis-step," his campaign staff were taking maximum advantage of the slip. Mr Oliver Henkel, Mr Hart's campaign manager, called it "a silly decision" that had put Mr Hart back in the running.

Mr Hart told supporters that "88 is too late" for the new generation of leadership that he claims to represent to take over the party. It seemed unlikely, however, that support for his candidacy would become sufficient to overturn Mr Mondale's virtually certain nomination on Wednesday.

With Mr Mondale hoping to put the Manatt/Lance incident behind him, it was clear that continuing interest in Ms Ferraro would dominate much of the week's proceedings.

At the weekend Ms Ferraro acknowledged that she was sometimes too outspoken and said she might have to control herself more closely. She was taken to task for suggesting that President Ronald Reagan was not "a good Christian" because of his unfair economic and social policies.

Mr Hart said she did not need to be a foreign policy expert to know that Mr Reagan was "most vulnerable" in that area. Her role in the Democratic campaign had yet to be settled, she said, although she hopes she would travel throughout the country, including the conservative South, to show that a woman could be a capable Vice-President.

She did not think anyone wanted her to "change personally," she said. "I might be less irreverent."

British Airways to fight route plan

By Michael Donne in London

BRITISH AIRWAYS (BA) the state-owned airline, said last night that it would fight proposals by the Civil Aviation Authority (CAA) to transfer many of its short-haul European services and some of its long-haul routes to UK independent airlines.

The proposals were set out in a policy review by the CAA, a regulatory body for airlines in Britain. They were described as "disastrous" and "unacceptable" by Lord King, BA chairman, who said he would resist "absolutely any arbitrary reduction of the airline's routes."

BA, which the Government plans to sell to private investors by a share flotation, stands to lose all short-haul European scheduled services out of UK points other than Heathrow, London.

The CAA is also suggesting a two-year experiment in the deregulation of UK domestic air transport, with airlines free to fly what routes they choose other than those out of Heathrow and Gatwick, also near London.

Regulation of UK domestic air fares would also end, although the CAA would still ask airlines to file fares with it "so that it can intervene to prevent predatory or monopoly pricing."

Existing bilateral airline agreements with countries outside Britain would remain unchanged by the proposals.

A few of BA's long-haul intercontinental routes would also stand to under the CAA's proposals.

A short-term effect of the transfers would be to reduce BA's scheduled services revenue by about 7 per cent, the CAA said. "In the long-term increased competition from other British airlines arising from these changes could further reduce British Airways' total scheduled services revenue by up to 4.5 per cent."

The CAA does not accept that routes to be reallocated should automatically go to British Caledonian (BCal), the UK's largest independent airline. It says other short-haul carriers should be encouraged to put in bids.

BA would remain the largest single British airline, enjoying a dominant position. Its great strength would stem from its position as an operator out of Heathrow.

The CAA's aim is to redress an imbalance in UK air transport without damaging BA's international strength by making too severe a reduction in its activities.

Background, Page 10; Editorial comment, Page 12

Davignon emerges as strongest candidate for EEC presidency

By PAUL CHEESERIGHT IN BRUSSELS

VISCOUNT Etienne Davignon, the EEC Industry Commissioner, has emerged as the strongest candidate for the European Commission presidency, after the Belgian Government's decision formally to nominate him.

A letter from Mr Wilfried Martens, the Belgian Prime Minister, to Dr Garret FitzGerald, the Irish Prime Minister, who, in his role as EEC president, is seeking agreement on a nominee, says Viscount Davignon is the best man for the job.

"Our main concern should be to obtain the candidate who is best equipped to steer the ship between the cliffs on the rough sea on which the Community has to sail these days," the letter says. Viscount Davignon has the qualities, according to Mr Martens.

The other formally nominated candidates are:

• Mr Henning Christensen, the Danish Finance Minister, around whom no perceptible support has gathered;

• Mr Frans Andriessen, the Dutch Commissioner for Competition, who is seen as an attractive compromise candidate, unlikely to provoke opposition among the Ten.

The new president would be tasked, from the beginning of next year, with executing Community

policies and formulating new ones to place before the Council of Ministers.

Final selection of the new president is expected in the autumn. Hitherto, it had been accepted that if West Germany nominated a suitable candidate, then the Bonn Government's choice would be decisive.

However, soundings suggested to Chancellor Helmut Kohl that there was little enthusiasm for the name of Kurt Biedenkopf, a former senior official of the Christian Democrat Party. Bonn now seems to have backed away from trying to find a suitable nominee.

Because of the assumption that the next president would come from one of the bigger countries, there have been suggestions that France would put forward, perhaps in the autumn after a ministerial reshuffle, either M Claude Cheysson, the Foreign Minister, or M Jacques Delors, the Economy and Finance Minister.

The British are not disposed to agree on the nationality of the next president without seeing the name first. Moreover, irritation among the Benelux countries about the French assumption is thought to be one reason behind Mr Andriessen's nomination.

In the face of those uncertainties, Viscount Davignon emerges as the Fontainebleau summit.

Rocard reopens EEC farm row

By QUENTIN PEEL IN BRUSSELS

THE BATTLE over EEC farm spending broke out again in Brussels yesterday when M Michel Rocard, France's Agriculture Minister, further cuts before the end of the year.

In a statement at the opening of the European agriculture Ministers' council meeting, M Rocard launched an attack which will be taken up in earnest by the budget council later this week.

He criticised those countries, effectively Britain and West Germany, which are calling for further farm spending cuts in 1984 and which oppose a supplementary budget for the Commission. Designed to pay

for the extra cost of buying, storing and selling farm surpluses.

He accused them of hypocrisy, saying that both governments were guilty of providing extra farm subsidies at a national level to cushion the effect of reduced EEC support.

M Rocard said the farm price agreement reached in 1983 had implicitly stated the need for a supplementary budget before the year end. He said his opponents were not acting in good faith.

As examples of national subsidies he cited the West German agreement to give its farmers extra relief from value-addition tax from July 1 – a special deal approved by the most

recent summit meeting in Fontainebleau.

The British Government, he said, provided five times more money per farmer than the French in schemes to persuade farmers to retire early or convert from dairy farming to other forms of agriculture.

The French spent per tonne (\$15m) on Point 450,000 farmers, while Britain spent half the amount on only 10 per cent of that number.

A British spokesman later simply restates his government's position that spending on the supplementary budget, that spending on the Common Agricultural Policy in 1984 must be accommodated within the existing budget, or be met by spending cuts.

In a report to the parliamentary taxation committee, they called for increased resources for the fight against multinational corporations' tax evasion.

The report suggests that the burden of proof on the tax authorities should be eased to make it more difficult for corporations to move profits abroad through incorrect transfer pricing.

Swedish industrial output at record

By Kevin Done in Stockholm

SWEDISH industrial production rose to a record level in May, and output from March to May was the highest ever achieved over a three-month period.

Industrial output in May was 9.6 per cent higher than in the same month a year ago, according to preliminary estimates from the Central Statistical Office.

After slowing in April, industrial production recovered strongly in May, rising by 4.4 per cent on a seasonally adjusted basis.

Over the first five months of the year, industrial production in Sweden has jumped by 8 per cent compared with the same period in 1983.

Despite the big jump in output in the last three months, there is no sign of engineering and iron, steel and metals. Output in engineering in May was 15 per cent higher than a year earlier.

Despite the big rise in industrial production, caused chiefly by consistent high demand from export markets, unemployment in Sweden has been falling only slowly.

The number of people officially out of work last month was 118,000 or 2.7 per cent of the workforce. The Moderates, the Swedish conservatives and the largest opposition party, claim, however, that unemployment is in fact nearly three times as high at some 7.3 per cent in May.

The official "open" unemployment figures are an incomplete measure of the number out of work, according to a study released by the conservatives entitled "Unemployment – the Social Democrats' deception." The large number of those engaged in relief work and other job creation measures outside the labour market also had to be included, the report said.

On that basis, unemployment had been worsening steadily over the last two years rising from 6.1 per cent in May 1982 to 7.1 per cent in May 1983 and 7.5 per cent in May 1984.

• Multinational corporations operating in Sweden face stiffer laws against tax evasion if the Riksdag, the Swedish parliament, acts on new proposals put forward by the parliamentary auditors.

In a report to the parliamentary taxation committee, they called for increased resources for the fight against multinational corporations' tax evasion.

The report suggests that the burden of proof on the tax authorities should be eased to make it more difficult for corporations to move profits abroad through incorrect transfer pricing.

Continued from Page 1

cognise this," the UN trade official said.

The CoCom rules on computer hardware have now been updated for the first time since 1978, freeing most simple home computers from any licence requirement but tightening controls at the top end of the computer range. Thus, for the first time, the travelling Russian businessman will be able to take out of the UK, perfectly legally and without a licence, machines such as the Acorn and Sinclair ZX-81 and virtually anything with an 8-bit microchip.

But the US Defence Department yesterday expressed pleasure that so-called super mini-computer systems like the VAX models would now be properly protected by CoCom controls.

Net interest income rose to \$244.2m compared with \$143.8m a year ago. The bank's provision for loan losses in the second quarter amounted to \$102.7m or \$1.95 a share compared with \$86.5m or \$1.87 a share in the year-ago period.

The latest results include those of American National, acquired for \$275m on May 1. Excluding this acquisition and the related costs and adjustments, First Chicago said its second quarter net earnings increased by 15 per cent to \$49.6m for the year-ago quarter.

Mr Barry Sullivan, chairman, said the improvement reflected higher net interest income and

growth in non-interest income partly offset by higher expenses and an increase in provisions for loan losses.

Net chargeoffs totalled \$45.7m in the latest period and the allowance for possible loan losses stood at \$45.9m or 0.99 per cent of total loans at the end of the period.

THE LEX COLUMN

Fog on the BA flight-path

By Kevin Done in Stockholm

The Civil Aviation Authority's objective purpose in reviewing airline competition is to deal with the obvious imbalance in the UK aviation market. But its report might also have been drawn up as a demonstration of the clash which has arisen between the Government's wish to float British Airways out of the public sector and its fervent belief in the forces of competition. As

expected, in the process of cutting BA down to competitive size, the report has managed to throw a shadow over its future profitability, and hence over the timing, at least, of formal bids for Sealink being received. The dock strike could yet be cut short with no serious damage to the economy – and even the most observant Sealink sale watchers, asked to assess the latest complication, might have trouble by now deciding where one delay ends and the next begins. But the strike last night marked the end of its first week by locking a stranglehold on virtually all UK freight shipping and the City of London started to focus properly on the economic

route. In that time-frame, too, efficiency gains would help to reinforce the effect on profits. But the Treasury no doubt has a closer horizon than that pencilled into its funding schedule.

Dock strike

Given the collapse of the spot oil market ahead of Enterprise Oil's flotation as well as the CAA Report's gathering threat to British Airways takeoff, a prolonged national dock strike was presumably the very least to be expected on the timing of the strike.

At first sight, the proposed revenue damage to BA from route transfers might come through rather alarmingly to the bottom line. If BA were to lose 11.5 per cent of scheduled revenue while continuing to operate from last year's cost base, virtually the whole of the 1984 operating surplus could disappear.

Admittedly, some 4.5 per cent of revenue would only be expected to drift away as the competition became effective, but even the uncertainty associated with that outlook would probably go down in the City of London like a punctured Zeppelin.

In fact, the report presents BA with several useful openings. Throwing the provincial airports open to other operators could make possible a heavy pruning of their infrastructure, shedding some unnecessary overheads which are probably still concealed in the accounts of the Heathrow operation. And the opportunity to remove duplications – such as flights to Scandinavia from Gatwick – could be seen as a way of transferring revenue to Heathrow while cutting out the Gatwick costs.

Eighteen months hence, these may appear worthwhile gains to set against the competitive incursion from British Caledonian, notably on the hitherto protected long-

this way looks a hazardous exercise, given few precedents; some discrepancy between import and export statistical procedures could also produce misleading figures for July. Nevertheless, the general scale of the problem which emerges is certainly consistent with what happened in 1972.

That strike suggests, too, that import bottlenecks could rapidly be reflected in industrial production setbacks. The seasonal fall in fresh fruit and vegetable prices could also be reversed, which would put another nail in the coffin bearing what remains of the government's 4½ per cent inflation estimate.

For individual companies, the freight stoppage will immediately present Sealink and European Ferries with weekly losses of £1.2m and nearer £2m to come against peak weekly passenger revenues of £6m-£7m. Euroferries Ports will also face sizable losses. But costing the strike in these detailed terms has only just begun.

GEC/BAE

The protracted nature of the auction for British Aerospace has put several useful openings. Initially confronted by a bidder – Thorn EMI – which seemed willing to let the market set a price, BAE had already been dealing advances from a GEC which wanted more information on which to form a valuation than BAE was prepared to give. It is hard to see how this stand-off may be resolved, although BAE may now be hoping to jog GEC into firming up its offer. At all events, the 50 per cent rise in BAE's interim dividend suggests that BAE still has half an eye on the level of an eventual bid; but the 17p which came off BAE's share price yesterday indicates that the market may be less sanguine.

Progress Report No.5 from Britain's No.1 manufacturing exporter

Jaguar sales to six countries worth over £1,000,000,000

Sales of Jaguar – the supersonic tactical strike aircraft which set the pattern for Anglo-French collaboration in advanced military aircraft – are worth well over £1,000 million. Jaguars are in service with the air forces of Britain and France and have been adopted by four overseas nations. The Indian purchase agreement includes licensed manufacture of a number of aircraft, providing a notable example of technology transfer. Spares and support business will continue for many years to come.

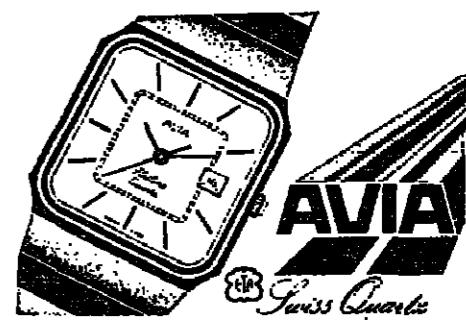
£11,000,000 contract for development of new anti-tank weapon

British Aerospace has been awarded a contract worth over £11 million for joint development with HMG of Merlin, a terminally guided 81mm mortar bomb, on which the company has been privately funding work since 1981. Merlin will provide infantry in the 1990s with a highly effective "fire and forget" anti-tank capability.

SECTION II - INTERNATIONAL COMPANIES

FINANCIAL TIMES

Tuesday July 17 1984



Allied and Grace report drop in chemical income

BY WILLIAM HALL IN NEW YORK

THE PATCHINESS of the recovery in the world chemicals industry was underlined by yesterday's second-quarter profit announcements from Allied Corporation and W.R. Grace. Allied, the big U.S. conglomerate and the biggest producer of soda ash in North America, reported a slight drop in its chemical earnings because of industry oversupply, while W.R. Grace reported a marginal rise in its important special chemicals operations.

Allied, whose activities span energy, automotive, aerospace and industrial products as well as chemicals, reported a rise in second-quarter net income to \$130.1m from \$106m.

Sales in the second quarter rose 10 per cent to \$2.8bn and earnings per share totalled \$1.37 against \$1.03. The 1983 second-quarter was depressed by losses of \$12m or 16

cents per share, from discontinued operations.

For the first six months Allied earned \$263m or \$2.73 per share compared with \$224m or \$2.28 per share in the first half of 1983, when there was a \$29m loss from discontinued operations.

For the whole of 1983 Allied earned \$450m from its continuing operations, but this was reduced to \$39m after provisions for losses on the sale of its large liquid fertiliser business and its loss-making machine tool business, acquired with Bendix in 1983.

Allied's performance in the latest quarter was helped by continued growth in its automotive, defence and electronics markets as well as expanded oil and gas operations. However, these improvements were offset by a decline in Grace's domestic catalyst operation.

Magazine unit boosts Time

BY OUR NEW YORK STAFF

TIME, the largest U.S. magazine group, achieved a 12.5 per cent increase in second-quarter profits, which rose to \$60.4m, or 84 cents a share, from \$53.4m, or 84 cents a share on a comparable basis.

Mr Richard Munro, president, attributed the profits growth to "an especially vigorous performance" by the magazine division, which continued to register the strength shown in the first quarter. Magazine advertising revenue rose by 16

per cent, and pre-tax profits amounted to \$59.7m on sales of \$345m.

The group's book publishing division was also ahead of last year's performance, but video operations registered a \$1.6m decline to \$52.9m, and there were mixed results from its cable television and pay TV activities.

Overall group sales amounted to \$712m in the second quarter compared with \$691m, and for the first

six months of this year rose from \$1.35bn to \$1.5bn. First half earnings jumped to \$103.7m, or \$1.59 a share, from \$75.4m or \$1.19 a share.

The second-quarter figures were struck after discounting income of \$1.4m from discontinued operations in last year's figures. This gave a final net in 1983 of \$54.8m, or 84 cents a share, while over the six month period, gains of \$8.3m from divested and discontinued operations made the final net \$83.7m.

Hospital Corporation of America ahead 21%

BY OUR FINANCIAL STAFF

PROFITS at Hospital Corporation of America (HCA), the leading U.S. hospital management group, continued to grow in the second quarter, although the pace slowed from that of the previous five quarters.

HCA, which now owns or manages nearly 400 hospitals, earned \$73.9m or 84 cents a share for the quarter, an increase of 21 per cent over the comparable period.

Revenues rose \$1.04bn compared with \$974.3m a year ago.

Earnings for the first six months are 39 per cent ahead at \$160.4m or \$1.82 a share on revenues of \$2.13bn against \$1.98bn.

Two Canadian trusts to merge

BY ROBERT GIBBENS IN MONTREAL

TWO medium-sized Canadian trust companies, National Trust and Victoria and Grey Trust, will merge by share exchange to become the third largest company in the sector, following several weeks of talks.

The new company, National Victoria and Grey Trust, will be national in scope, with assets of nearly C\$1bn (US\$6bn).

Mr Hal Jackman, a Toronto financier, controls more than 40 per

cent of each company. National shareholders will receive 1.45 shares of the new company for each existing share, while holders of Victoria and Grey will receive one share.

Trust companies offer retail banking services as well as their traditional fiduciary services. Pending financial industry deregulation is forcing many smaller trust companies to get together

Computer makers' earnings improve

By Our New York Staff

NCR, the U.S. computer group, has reported an 11 per cent increase in second-quarter net income to \$25.5m or \$1.18, mainly as a result of a jump in the group's agricultural chemical earnings, from \$1.6m to \$1.8m, on the back of a recovery in demand. In contrast, Grace's important special chemicals operations only increased its operating income by a slight drop in its chemical earnings because of industry oversupply, while W.R. Grace reported a marginal rise in its important special chemicals operations.

Grace says that certain of its European special chemical operations as well as U.S. construction products, defence, packaging and graphic arts businesses turned in strong second-quarter performances. However, these improvements were offset by a decline in Grace's domestic catalyst operation.

Burroughs says its outright sales increased 31 per cent in the latest quarter, while rental revenues decreased 10 per cent reflecting the continued industry shift away from rentals.

The group's worldwide order position showed "substantial unit increases in all major product areas" compared with a year ago.

NCR's sales rose 7 per cent to \$98.8m in its second quarter. The group says its earnings, revenues and orders were at record levels for the latest three months.

Second quarter earnings a share totalled 73 cents against 63 cents.

For the six months the group's earnings a share are 22 per cent up at \$1.15 and revenues are 8 per cent up at \$1.7bn.

NCR's worldwide orders were a record for a second quarter with gains in the U.S. exceeding those overseas. Mr Charles Exley, chairman, said he continued to be optimistic that 1984 would be a record year for earnings and revenue.

Burroughs earned \$1.28 a share in the latest quarter against \$1.01 a share a year ago. For the six months earnings a share are 21 per cent up at \$2.21 and revenues are 14 per cent up at \$1.3bn.

Both companies noted the negative impact of the strong dollar on their worldwide sales and earnings

centres on several points:

- The offer price, though higher than Crocker's recent trading price of \$18, is well below the \$30-\$40 it was trading at before the California bank started piling up losses last year. Midland has also warned that the new stock could trade below par because of Crocker's uncertain earnings prospects.
- The offer is less than half Crocker's book value of \$52 a share, the usual yardstick for a bank acquisition.

There was, however, applause for the move yesterday - as long as Midland can pull off the deal without a big increase. Midland's share price rose 12p to \$30p, and one analyst said: "It's the best and most aggressive thing they have done for years."

The shareholders' dissatisfaction

centres on several points:

- The offer price, though higher than Crocker's recent trading price of \$18, is well below the \$30-\$40 it was trading at before the California bank started piling up losses last year. Midland has also warned that the new stock could trade below par because of Crocker's uncertain earnings prospects.
- The offer is less than half Crocker's book value of \$52 a share, the usual yardstick for a bank acquisition.

Despite the problems Crocker still faces - its balance sheet still has a lot of troubled Latin American and California real estate loans - a successful bid would represent a major coup for Midland.

It will have acquired bank assets for half their book value in a market with good long-term prospects without laying out any cash at all.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

BOARD MEETS TO CONSIDER MIDLAND BANK'S OFFER

Pressure on Crocker over bid

BY DAVID LASCELLES IN LONDON

CROCKER National Corporation's board meets in San Francisco today to consider Midland Bank's \$207m bid for the 43 per cent minority amid signs of strong shareholder dissatisfaction with the terms.

At least one major shareholder is understood to have telezed both Crocker and Midland to say the \$25 of preferred stock being offered for each Crocker share is too low.

Stockholders both in the U.S. and the UK - where there are several Crocker shareholders - said Midland might well have to raise its bid.

There was, however, applause for the move yesterday - as long as Midland can pull off the deal without a big increase. Midland's share price rose 12p to \$30p, and one analyst said: "It's the best and most aggressive thing they have done for years."

The shareholders' dissatisfaction

centres on several points:

- The offer price, though higher than Crocker's recent trading price of \$18, is well below the \$30-\$40 it was trading at before the California bank started piling up losses last year. Midland has also warned that the new stock could trade below par because of Crocker's uncertain earnings prospects.
- The offer is less than half Crocker's book value of \$52 a share, the usual yardstick for a bank acquisition.

Despite the problems Crocker still faces - its balance sheet still has a lot of troubled Latin American and California real estate loans - a successful bid would represent a major coup for Midland.

It will have acquired bank assets for half their book value in a market with good long-term prospects without laying out any cash at all.

Mr Julien: timing not opportunistic

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value.

The offered terms would also average down Midland's outlay for Crocker to about \$50 a share from \$67, meaning that in the end it will have paid about book value

INTERNATIONAL COMPANIES

North American quarterly results

ABBOTT LABORATORIES		OWENS-ILLINOIS	
Health care products		Leading glass container maker	
Second quarter	1984	1983	
\$	\$	\$	\$
Revenue	901.4m	722.7m	365.1m
Net profits	100.4m	85.8m	35.2m
Net per share	0.63	0.70	1.10
Six months			
Revenue	1.5bn	1.4bn	57.2m
Net profits	168.1m	161.2m	52.8m
Net per share	1.05	1.02	1.30
ROWAN COMPANIES			
Contract drilling			
Second quarter	1984	1983	
\$	\$	\$	\$
Revenue	46.1m	27.3m	9.5m
Net profits	1m	1m	0.8m
Net per share	0.02	0.018	0.018
Six months			
Revenue	82.2m	121.3m	24.8m
Net profits	1.9m	2.4m	0.8m
Net per share	0.07	0.05	0.03
SOUTHEAST BANKING			
32nd biggest U.S. bank			
Second quarter	1984	1983	
\$	\$	\$	\$
Revenue	25.3m	20.2m	14.1m
Net profits	1.34	1.14	0.88
Net per share	0.05	0.07	0.05
Six months			
Revenue	52.4m	37.8m	27.8m
Net profits	2.62	2.22	1.57
Net per share	0.08	0.07	0.05
CONSOLIDATED PAPERS			
Pulp and paper			
Second quarter	1984	1983	
\$	\$	\$	\$
Revenue	178m	142.5m	52.5m
Net profits	20.7m	12.8m	4.8m
Net per share	1.38	1.10	0.58
Six months			
Revenue	347.5m	278.5m	82.7m
Net profits	40.1m	22.8m	7.7m
Net per share	3.03	2.08	0.55
TEXAS OIL AND GAS			
Natural gas, gas and oil exploration			
Second quarter	1984	1983	
\$	\$	\$	\$
Revenue	491.7m	427.2m	125.8m
Net profits	59.7m	52.5m	10.5m
Net per share	0.75	0.66	0.35
Six months			
Revenue	916.8m	813.5m	217.1m
Net profits	114.5m	94.5m	18.0m
Net per share	1.18	1.08	0.55

BANK OF NEW YORK		SWISSAIR	
30th biggest U.S. bank		Electrical, electronic products	
Second quarter	1984	1983	
\$	\$	\$	\$
Revenue	13.1bn	12.4bn	27.3m
Net profits	2.5m	2.1m	0.8m
Net per share	1.58	1.35	0.28
Six months			
Revenue	25.2m	20.2m	52.7m
Net profits	5.0m	4.1m	1.0m
Net per share	3.16	2.75	0.43
SIX MONTHS			
Revenue	50.4m	40.4m	105.4m
Net profits	10.0m	8.2m	2.2m
Net per share	6.21	5.43	1.30
CARNEGIE BANKS OF FLORIDA			
30th biggest U.S. bank			
Second quarter	1984	1983	
\$	\$	\$	\$
Revenue	25.0m	20.0m	4.1m
Net profits	5.0m	4.1m	0.8m
Net per share	3.14	2.75	0.58
Six months			
Revenue	50.0m	40.0m	8.2m
Net profits	10.0m	8.2m	1.6m
Net per share	6.21	5.43	1.30
CONSOLIDATED PAPERS			
Pulp and paper			
Second quarter	1984	1983	
\$	\$	\$	\$
Revenue	178m	142.5m	52.5m
Net profits	20.7m	12.8m	4.8m
Net per share	1.38	1.10	0.58
Six months			
Revenue	347.5m	278.5m	82.7m
Net profits	40.1m	22.8m	7.7m
Net per share	3.03	2.08	0.55
TEXAS OIL AND GAS			
Natural gas, gas and oil exploration			
Second quarter	1984	1983	
\$	\$	\$	\$
Revenue	52.7m	48.2m	12.5m
Net profits	8.3m	7.2m	1.8m
Net per share	0.42	0.35	0.08
Six months			
Revenue	105.4m	93.7m	21.7m
Net profits	11.45m	9.45m	2.17m
Net per share	1.22	1.05	0.25

FT-CITY COURSE

LONDON
11 October — 29 November
1984

Over 3,000 managers and trainees from some 750 organisations representing all sectors of finance and industry have attended this course arranged jointly by the Financial Times and the City University Business School.

The course is designed for employees in companies with interests in the City and provides a broader understanding of all aspects of the City's operations and the factors that have made it a world financial and trading centre. The format comprises eight afternoon lecture programmes conducted by 23 distinguished City personalities, each an expert in his field.

For further information, please contact:
Financial Times Conference Organisation
Minster House, Arthur Street
London EC4R 9AX

Tel: 01-621 1355 Telex: London 27347

All these securities having been sold, this announcement appears as a matter of record only.

The Bank of Nova Scotia

(a Canadian Chartered Bank)



US\$100,000,000

13% Deposit Notes due 15th July, 1987

J. Henry Schroder Wag & Co. Limited

Banque Paribas

Dai-Ichi Kangyo International Limited

IBJ International Limited

Mitsubishi Finance International Limited

Samuel Montagu & Co. Limited

The Nikko Securities Co., (Europe) Ltd.

Union Bank of Switzerland (Securities) Limited

Chemical Bank International Limited

Daiwa Europe Limited

Lloyds Bank International Limited

Mitsui Finance International Limited

Morgan Guaranty Ltd

Nomura International Limited

Chrysler set to develop U.S. light truck plant

BY TERRY DODSWORTH IN NEW YORK

CHRYSLER U.S. is planning to add a further element to the expansion of its product range with a \$500m investment in the development of its light truck plant in Warren, Michigan.

The complex will involve the construction of five new facilities around the existing Warren assembly facility. This would bring together all the major stamping components and assembly facilities on one site in the vicinity of Detroit, where Chrysler has its headquarters.

The project is the third large-scale venture on which Chrysler has embarked since setting its finances on an even keel two years ago.

In this period capital investment has once again begun to climb, reaching \$1.1bn last year after stagnating at only \$450m in 1982 and \$373m in 1983 when the company was in the process of recovering financial stability with the aid of the government-backed rescue plan.

The first plant to be revamped in this development phase was the Windsor facility in Canada, where Chrysler makes its new medium-size van-shaped car, which has achieved an immediate impact in the U.S. market.

The second is the Stirling Heights plant acquired from Volkswagen last year, and now being expanded to produce the group's new

H-model compact car, due to be launched later this year.

The new plant on which \$150m will be spent this year, will also be linked to the launch of a new model, labelled the N-body truck. This will be a small pickup that will take Chrysler into a sector of the light commercial vehicle market which it does not cover at all at present.

Over the last two years, the market for pickups and small vans, where Chrysler is represented with a range of medium-size products, has been one of the fastest growing sectors in the U.S. automobile industry.

The company's sales of these kinds of vehicles have gone up by 66 per cent so far this year.

Hoffman-La Roche sees advance

BY JOHN WICKS IN ZURICH

HOFFMANN - LA ROCHE, the Swiss chemicals and pharmaceuticals concern, expects a further improvement in earnings this year. In 1983 group profits rose 18.8 per cent to SwFr 4.04bn.

The company said this expectation pre-supposed that there would be no unfavourable development in exchange rates. In the first half, earnings had "generally developed satisfactorily."

Group sales rose 7.4 per cent in the first half to SwFr 4.04bn. The comparison with the corresponding six months of last year excludes sales of subsidiaries sold by Roche in the second half.

Sales of pharmaceuticals were "satisfactory," rising 7 per cent to SwFr 1.65bn in the first half, despite the effect of weak Latin American currencies. Sales of vitamins and fine chemicals rose 3.6 per cent

with Y661.34bn for fiscal 1983-84.

Capital spending by the parent company in 1984-85 is expected to exceed Y200bn against Y175bn planned earlier this year.

This is mainly because of an increase in planned semiconductor division spending, which will be considerably above the Y100bn (\$415m), compared with a forecast of Y92bn previously and a peak Y79.3bn registered after the year ended last March.

The company is to make a one-for-10 bonus stock issue to shareholders registered on March 31, 1985, and a one-for-20 bonus issue for those registered on March 31, 1986, to pay back additional funds on domestic or overseas capital markets in February or March next year.

Fujitsu also reveals that it plans to issue 48m new shares at market price with payment on August 31, 1985, to fund the joint venture, capitalised at \$100m, to be established in Southern California. Kawasaki Steel, the Japanese partner, announced in Tokyo yesterday. The company said the joint venture, capitalised at \$100m, will take over the servicing of ICL's Atlas customers.

A specially formed joint venture company, California Steel Industries (CSI), has signed a \$110m agreement to buy Kaiser Steel's Fontana Mill in Southern California. Kawasaki Steel, the Japanese partner, announced in Tokyo yesterday. The company said the joint venture, capitalised at \$100m, will take over the servicing of ICL's Atlas customers.

The gas development is likely to cost AS160m to AS120m and will generate annual revenues of at least AS40m.

Korda is a major industrial force in Australia and will be in a strong position to provide the funding for the Denison gas development and also will benefit from access to the AS24

FINANCIAL TIMES SURVEY

Tuesday July 17 1984

YUGOSLAVIA

Efforts to find a solution to the country's protracted economic crisis have forced a marked change in the style of Yugoslav socialism

YUGOSLAVIA'S protracted economic crisis, now in its fourth or fifth year, is beginning to change the political system. This link between economic cause and political effect should not come as a surprise in an officially Marxist country. But, still, many Yugoslavs do not like what they see happening.

The controversy is not so much about changes in the substance of Yugoslav socialism, towards greater reliance on a market economy with free pricing, flexible exchange rates and real interest rates and partial acceptance of some of capitalism's "evils" or disciplines of closures and unemployment.

That is bound to be painful if you have long been featherbedded and protected in your country, a loose republic and nationless economy, regulated or effective monopoly. What is disliked even more is changes in the style of Yugoslav socialism, towards a greater role for the federation over the eight republics and provinces.

Distinctive system

Style—how you do something—is just as important in Yugoslavia as substance—what you do. This is not just because it is a Mediterranean country. The credo which Tito bequeathed to Yugoslavia has three slogans, all about Yugoslavia "doing their own thing" at various levels without defining what the "thing" should be: "non-alignment" in foreign policy with either East or West; "equality" of nationalities allowing republics and provinces to manage much of their own affairs, and "self-management" permitting and indeed requiring workers to run their own businesses.

None of these elements in the Yugoslav system is under frontal assault. If they were, Yugoslavs who are as defensive as they are proud of their home-grown and distinctive system, would resist strongly. Yet, the more perceptive Yugoslavs see change being effected in concrete ways.

For a start, Yugoslavia has had to call in the International Monetary Fund again this year for a further standby loan.

adjustment programme, after three years of IMF assistance in 1981-83, and has had to swallow tougher fund prescriptions (see article on economy).

This in no way jeopardises Yugoslavia's political non-alignment, though following IMF prescriptions aligns Yugoslavia more with Western economic practices. This, however, has a psychological impact on a country where self-reliance is part of the official theology.

A second and more significant factor has been the pressure by foreign creditors on Yugoslavia to strengthen and centralise its financial system. This has led to the National Bank in Belgrade, hitherto one of the weakest in the world, being given powers to control foreign borrowing and, for the present, to act as guarantor of new loans from abroad.

The third, and new, factor is the nature of the policies which the IMF has been insisting on this year. Previously, the fund had tolerated the Yugoslav authorities' practice of using a variety of administrative wage and price controls to help meet agreed-upon austerity targets.

These controls have not worked well, largely because wage, price and tax policies are heavily influenced by individual republics.

This year the IMF has persuaded Yugoslavia to rely almost exclusively on monetary mechanism—chiefly interest and exchange rates. These happen to be in the undisputed control of the federal authority.

A further weakening of republics' power in this domain is the reform last month which allowed the National Bank's board of governors (made up of heads of republican central banks, akin to the U.S. Federal Reserve system) to take decisions by majority vote, not consensus as in every other walk of Yugoslav life.

The result of all this may be not to alter the self-manage-

ment right of Yugoslav companies but to stem an abuse whereby any enterprise in difficulty could run to its local republican government and get a fresh slice of cheap credit or a massive increase to keep it out of trouble.

There is talk by some federally-minded Yugoslav politicians and academics of wider political reform, such as a narrower definition of the republican right of veto, and more use of majority-voting to speed up decision-making. But without the pressure of events that has existed in the economic field, it is likely to remain just talk.

Yugoslavia's external accounts (\$m)

	Jan-Mar 1983	Jan-Mar 1984
Merchandise trade balance	-326	-151
Invisibles	+198	+280
Current account balance	-128	+129

Even in the economic field, the federal government has felt compelled again and again to stress that it is not usurping state powers.

Yet, if federal ministers admit privately that the IMF has given them the support they have hitherto lacked from other institutions inside the country in dealing with recalcitrant republics.

This may change with last month's selection of a new nine-man presidency. With one representative from each republic and province plus the communist party presidency, this acts as collective head of state. All but one is new, making it an unusually clear sweep in Yugoslavia's rotating system of government.

Certainly, the LCV seems to have little quarrel with the sub-

stance of the new changes in Yugoslavia. "We are encouraging the private sector, because there is still a dearth of supply," Mr Bilic says. "The unpleasant effects of market forces—the income inequities and bankruptcies—cannot be totally avoided, only mitigated," he says in a resigned air.

But the style of change is another matter. The LCV may be opening up a vacuum, but it certainly does not want anyone else filling it. One of the more dramatic warnings came from Branko Djilas, the wartime comrade of Tito who has long been Yugoslavia's most famous dissident. He was briefly arrested with 27 other "free-thinkers" at a discussion group in Belgrade. "We wanted to show Djilas and the others that they cannot do what they want all the time," Mr Josip Vrhovec of

last year's Nobel prize, has been drawing packed audiences in Zagreb and Belgrade for his denunciations of the mismatch between the abilities and privileges of the party elite. Significantly, too, he is getting his views into the press.

Forceful warning

But Mr Djilas stoutly maintains that nothing discussed at the Belgrade meeting on the issue of Yugoslavia's nationalisation problem, went much beyond what has been appearing in the Yugoslav press. He believes the police only arrested the group because he, Djilas, has long been a lightning rod for the authorities to strike, and it was the first time he had addressed this group. Thus it was, as Mr Bilic confirms, a convenient chance to send a wider warning to dissidents and potential dissidents.

The authorities put some force behind their warnings last month when they re-arrested five of the Belgrade group to face various charges of making "hostile propaganda" and forming an "illegal group." A sixth man was held in Sarajevo for proposing that Yugoslavia's complex ethnic map be redrawn from eight republics and provinces into four republics.

There is, too, an increasing number of individuals, so far outside the party, who feel that Yugoslavia's political debate, let alone its appallingly oblique political vocabularies, has grown stultified, and needs fresh air.

These people are being listened to. For instance, Mr Branko Horvat, the Yugoslav economist and one of those nominated for

the start of 1984 has seen substantial changes in the pattern of Yugoslav trade compared to last year. Dr Milivoje Bojanic, the trade minister, says, and on the whole, he believes the changes are positive.

The hard currency trade deficit was pruned back to \$193m in the first four months of this year, compared to \$437m in the same period of 1983, with exports to the

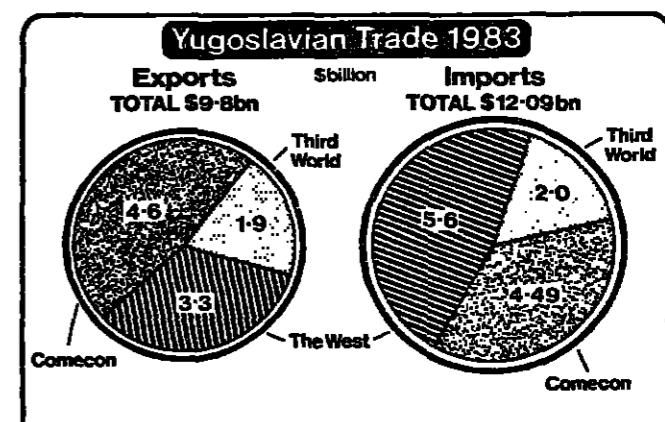
Industrialised West picking up in late spring, and more than offsetting a disappointing performance in the Third World.

Dr Bojanic believes the country is well on target to keeping its 1984 hard currency trade deficit to within \$14.5bn (it was \$1.8bn last year).

The basic switch has been



Key figures in Yugoslavia's new presidency. From left to right: Mr Stane Dolanc, Mr Branko Djilas and Mr Josip Vrhovec

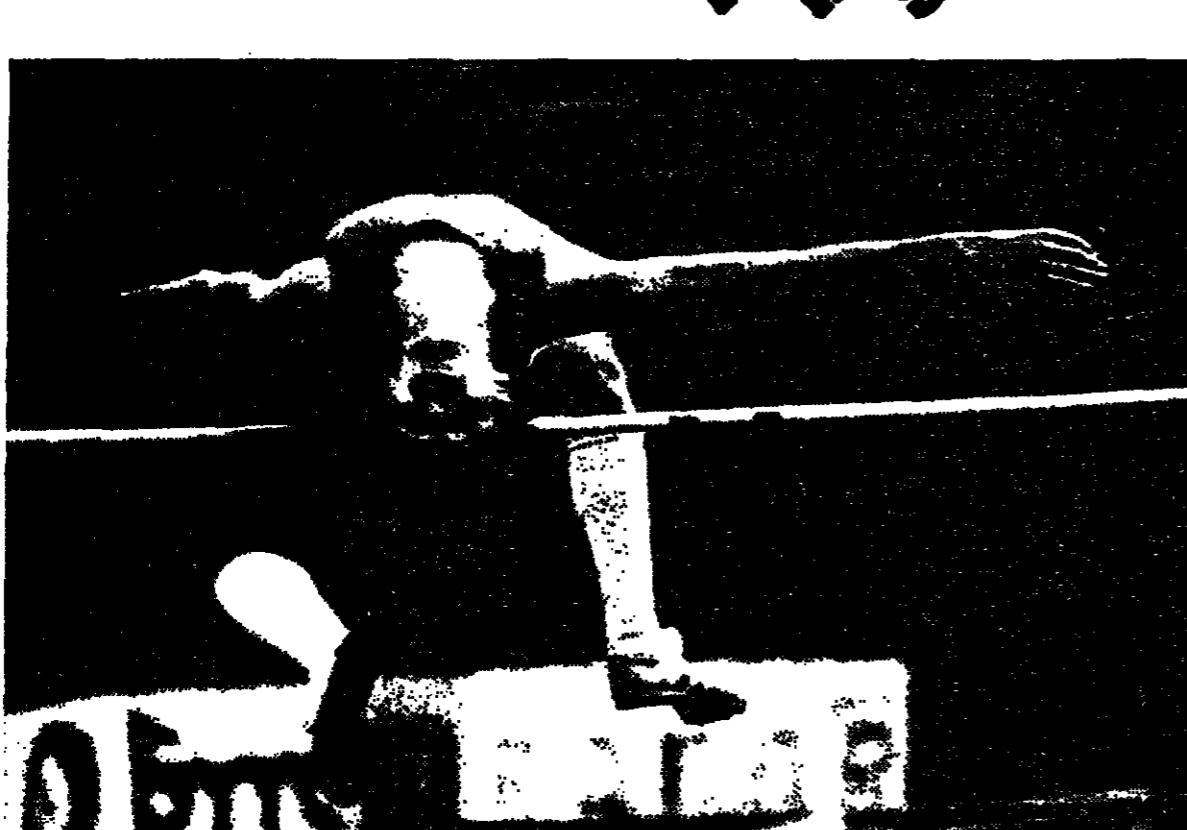


Sources: Foreign Trade Ministry, Belgrade

finance debt servicing, and a reduction in barter trade with Comecon countries—a trend expected to continue this year.

Government officials say that as hard currency exports improve, so the volume of imports from the West will pick up. Indeed, Yugoslavia is committed to its present agreements with the IMF and World Bank to liberalise administrative controls which still cover 80 per cent of all imports.

Nonetheless, according to the 1984 plan (a statement of intent, rather than an exact prescription), in the case of Yugoslavia, import growth will lag behind that of exports. The plan target is for hard currency imports to rise by 8 per cent this year, compared to a 20 per cent hoped-for increase in convertible currency exports.



These words are not only the motto of the top olympic athletes, but they are at the same time the motto of all who strive for utmost achievement in other fields as well.

To achieve the utmost results there is only one way:

the way of sustained effort and hard work.

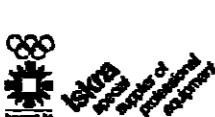
And that is our own way, too.

In 35 years, ISKRA has become the greatest Yugoslav electroindustrial firm with almost 100 production plants, marketing and research organizations, giving work to more than 30,000 employees, of which mostly are highly skilled specialists. Two thousand experts dealing with R + D activities pave the way for the production of sophisticated products and systems, covering especially the fields of electronics, electromechanics and electrotechnics.

Range of our products:

- measurement and control equipment
- electric and electronic equipment for motor vehicles
- automation equipment
- consumer electronic equipment
- electronic and electro-mechanical components
- telecommunications
- computers

We have established a network of 26 trading companies, representative offices and production plants all over the world. Our clients are to be found in 60 countries.



For more information contact our head office

ISKRA, 61001 Ljubljana, Trg revolucije 3, Yugoslavia, tel. int. +38 61 213213, telex 31 356 yuskep



you can rely on us

Our experience covers all decisive fields in the progress and development of national economies in more than 70 countries, spanning five continents.

We are backed by a modern organisation of production and business management and by scientific research and application of up to date technology, high quality production with competitive costs and a staff potential comprising 22,000 employees including 3,600 with university degrees, within 44 factories, marketing departments and other organisations.

Today we can claim many years experience and a reputation for reliability in the field of: designing, manufacturing, testing, installing and maintaining electrical equipment intended for power generation, transmission and distribution, design and construction of projects and complete electrical power supply plants, metallurgy plants, mining, oil, petrochemical and process industry, railroads, shipping and off-shore plants.

Electronic monitoring and automatic control system in tunnels

Thymistor locomotive

Testing of transformers 300 MVA

Electric magnet for nuclear accelerators

Rade Koncar power for good

Rade Koncar—Electrical Industries, Products, Equipment, Plants, Yugoslavia, 41000 Zagreb, Fajfarova 1statiska 22; phone 561-022, telex: 21-153; • Great Britain: Ingra, Imperial Buildings 58, Kingsway, London WC2, phone: 01-405-75434; telex: 283348; • Fed. Republic of Germany: c/o CEPIRA B.m.b.H., Frankfurter Str. 37-39/LZ4, phone: (0611) 71-96-122, telex: 04-13409 and 04-13578 CEPIRA D • Italy—Rade Koncar—Eletromecanica S.r.l. Via Manni 3—20121 Milano, phone 664-657, 667-139 (prefix 02), telex: 321210 RAKOMI • France: c/o Soc. Com. Com. Franco-Yugoslave, Rue de l'Horloge, Paris 8, phone: 030-34-71-10; FPTWIG 12-12-11 Paris • Czechoslovakia: Praha 1, Veteranyova 20, phone: 22-260-2679; telex: 12-12-5-0; Poland: Warszawa, Szpitalna 6, phone: 26-60-31160, telex: 81-34-04 • USSR: c/o Kombersko-lehmersko Buro pr Poslovja SFR Jugoslavija, Moskva, Mostovskaja 42, phone: 147-85-10, telex: 414322 YU ZPP SU • Arab Republic of Egypt: Ingra Branch Office, Cairo 13, Adel Hussain Rostom st-Dokky, P.O.Box 798, phone: 650-178, telex: 93375 INGRA UN, Cables: DELINGRA CAIRO • Democratic Republic of Germany: «Jugobiro», Hermann Matthes Strasse 46/II 104, Berlin, phone: 228-64-57, telex: 114284 JHP IR • Islamic Republic of Iran: Ingra Branch Office Tehran 84 Sepahbad Ghavami, phone: 228-343, 636-457, telex: 212884 JHP IR • Republic of Iraq: Ingra Branch Office Baghdad Al Wahda Sec. 904 Street 50 House 8/1, P.O.Box 3276, phone: 97-260, telex: 212-738 INGRA IK

YUGOSLAVIA 3

Output shows signs of recovery

Industry

ALEKSANDAR LSEL

YUGOSLAV INDUSTRY, if the first signs are not misleading, has started coming out of last year's recession. Its growth hit a post-war record low in 1983 — a mere 1.5 per cent — with deepest all Yugoslav problems, from rising unemployment and falling productivity to inadequate supply of exportable goods.

The first quarter of this year, however, was better than the same quarter 1983, with industrial output going up 3.8 per cent, and, with a 5.5 per cent growth in April compared with April 1983, the rate of growth for the first four months went up to 4.3 per cent.

That recovery seems still to be under way, rates vary, and very much, from one republic to another, or from industry to industry. While the four month rate was 17.1 per cent in Montenegro and 10.3 per cent in Macedonia, it was only 0.9 per cent in Bosnia and Herzegovina, while in the province of Kosovo there was a fall of 5.4 per cent. Likewise, shipbuilding had a growth of 22.3 per cent, industrial minerals processing 15.4, base chemistry 13.6, and the shoe and leatherware industry 11.6 per cent.

At the same time non-ferrous metals processing, machine building and some other industries were stagnating and a number of sectors produced less than last year, including iron ore (-7 per cent), beverage industry (-7.7 per cent), building materials (-8.1 per cent), oil derivatives (-8.7 per cent), and tobacco processing (-8 per cent).

Some of those changes reflect deliberate government policies, including oil conservation and reductions in oil imports, or reduced investment in the country, on the one hand, and the stimulation of export oriented and import substitution industry on the other.

Generally speaking, the recovery is largely due to improved supplies of imported raw and intermediate materials. Compared to the first four months of 1983, imports of those materials have gone up by 15 per cent, while at the same time imports of equipment



Worker in the Banja Luka factory of Radnička, one of Yugoslavia's leading manufacturers of television sets

decreased 20 per cent — a state of affairs tolerable for one or two years but not indefinitely for an economy needing new technology.

Supply shortages end

Thus, it would seem that the period of supply shortages, at least for industry, has come to an end. It has been recognised that a country of the size of Yugoslavia which aspires to increase constantly its exports cannot indefinitely go on cutting imports.

That change has been facilitated by credits obtained from friendly governments for procurement of raw and intermediate products, and by the Structural Adjustment Loan from the World Bank serving the same purpose. But it is also thanks to the efforts of Yugoslav industry in increasing its own exports, not always at

the best of prices and sometimes in goods that had to be imported later at a higher price.

Yugoslav industry, however, still could produce more raw and production materials for its own needs from domestic sources. Consumption of inputs, especially energy and raw materials, has been way above the average in the developed countries.

A new development is the apparent determination of the political leadership and the Government to stop rescuing all the industrial "lame ducks" that exist in all republics and provinces.

Thus, against fierce resistance, the largest project in Macedonia, FENI ferronickel mine and smelter, will be closed and the republic will have to find ways of paying the foreign debt of \$550m.

In Croatia the Obrovac alumina factory has been closed. In Serbia a mediaspan boards

factory of Vranje in Serbia, a Kranj cotton goods factory in Slovenia and a small factory for metalware from the coastal town of Zadar.

Despite the frustrations, the Yugoslav manager typically gets a fraction of what his Western (and even Eastern) counter-

parts receive. If a manager gets \$300 net per month he or she is not too poorly paid, and a monthly salary in excess of \$500 is rather exceptional. (This is more or less what members of the Yugoslav presidency, prime Minister and cabinet members earn, plus their considerable fringe benefits.)

Interest rates soar

New government measures agreed with the International Monetary Fund have posed new problems for industrial enterprises and their managers. Interest rates have gone up steeply and will continue their climb until they reach one percentage point above inflation rate on April 1 1985. That has increased the debt servicing burden of most enterprises, as the level of financing in Yugoslav industry is very low. The government has promised to alleviate their tax burden and reduce other imposts on companies and has started doing it. Sceptics, however, argue that it amounts to emptying the ocean with the spoon.

Those who need not worry too much are manufacturers of goods with a low import component that can find markets abroad for their products. Because of the rapid devaluation, their foreign exchange receipts rise in value almost daily, enabling them to pay higher wages and salaries and still have enough for new investments.

In this category are some manufacturers of heavy equipment such as Radnička of Zagreb, MAC of Belgrade, GOK of Smederevo, Pakesa, and of consumer goods. Also, Yugoslav construction firms such as Energoprojekt of Belgrade, SCT of Ljubljana and others which have found work abroad, be it in the developing countries or in the East, have no reason to complain, except for the fact that they now face much tougher competition from South Korea and some other countries. However, construction firms cannot find enough work in Yugoslavia itself.

The following months will show how steady industrial recovery in Yugoslavia really is. At stake is not only the economic but also the political situation which could easily deteriorate if the country does not pull itself out of the problems largely of its own making, although compounded by the international developments of the past decade.

part earnings.

If a manager gets

\$300 net per month he or she

is not too poorly paid, and a

monthly salary in excess of \$500

is rather exceptional. (This is

more or less what members of

the Yugoslav presidency, prime

Minister and cabinet members

earn, plus their considerable

fringe benefits.)

Interest rates soar

New government measures

agreed with the Internationa

Monetary Fund have posed new

problems for industrial enterp

ises and their managers.

Interest rates have gone up

steeply and will continue

their climb until they reach

one percentage point above

inflation rate on April 1 1985.

That has

increased the debt serv

icing burden of most enterp

ises, as the level of financing

in Yugoslav industry is ver

ry low.

The government has promis

ed to alleviate their tax bur

den and reduce other impos

ts on companies and has sta

rted doing it. Sceptics, howev

er, argue that it amounts to emp

tying the ocean with the spo

n.

Interest rates soar

New government measures

agreed with the Internationa

Monetary Fund have posed new

problems for industrial enterp

ises and their managers.

Interest rates have gone up

steeply and will continue

their climb until they reach

one percentage point above

inflation rate on April 1 1985.

That has

increased the debt serv

icing burden of most enterp

ises, as the level of financing

in Yugoslav industry is ver

ry low.

The government has promis

ed to alleviate their tax bur

den and reduce other impos

ts on companies and has sta

rted doing it. Sceptics, howev

er, argue that it amounts to emp

tying the ocean with the spo

n.

Interest rates soar

New government measures

agreed with the Internationa

Monetary Fund have posed new

problems for industrial enterp

ises and their managers.

Interest rates have gone up

steeply and will continue

their climb until they reach

one percentage point above

inflation rate on April 1 1985.

That has

increased the debt serv

icing burden of most enterp

ises, as the level of financing

in Yugoslav industry is ver

ry low.

The government has promis

ed to alleviate their tax bur

den and reduce other impos

ts on companies and has sta

rted doing it. Sceptics, howev

er, argue that it amounts to emp

tying the ocean with the spo

n.

Interest rates soar

New government measures

agreed with the Internationa

Monetary Fund have posed new

problems for industrial enterp

ises and their managers.

Interest rates have gone up

steeply and will continue

their climb until they reach

one percentage point above

inflation rate on April 1 1985.

That has

increased the debt serv

icing burden of most enterp

ises, as the level of financing

in Yugoslav industry is ver

ry low.

The government has promis

ed to alleviate their tax bur

den and reduce other impos

ts on companies and has sta

rted doing it. Sceptics, howev

er, argue that it amounts to emp

tying the ocean with the spo

n.

Interest rates soar

New government measures

agreed with the Internationa

Monetary Fund have posed new

problems for industrial enterp

ises and their managers.

Interest rates have gone up

steeply and will continue

their climb until they reach

one percentage point above

inflation rate on April 1 1985.

That has

increased the debt serv

icing burden of most enterp

ises, as the level of financing

in Yugoslav industry is ver

ry low.

The government has promis

ed to alleviate their tax bur

den and reduce other impos

ts on companies and has sta

rted doing it. Sceptics, howev

er, argue that it amounts to emp

tying the ocean with the spo

n.

Interest rates soar

New government measures</

UDRUŽENA BEOGRADSKA BANKA

2, KNEZ MIHAJLOVA, P.O.B. 955, 11001 BEOGRAD.
TELEPHONE: 624-655 TELEX: 11712, 12709 YU BEOBANK

UDRUŽENA BEOGRADSKA BANKA occupies first place within the Yugoslav banking system and follows the business operations and development of about five thousand business organisations—the members of the bank belong to almost all economic structures and fields. This is happening in Yugoslavia through a complex banking network of 19 basic banks, with 455 organisational units throughout the country.

Having ended 1983 successfully, with the total potential of 1,053 billion dinars, the bank operating in a complex economic setting, increased its potential by around 50 per cent.

In performing its external activities **UDRUŽENA BEOGRADSKA BANKA**, with its basic banks authorised for external payments, such as: Beobanka, Investbanka, Jugoslovenski Izvozna I Kreditna Banka-JIK, Agrobanka, Niska Banka, Osnovna Banka Sabac, Osnovna Banka Titovo Uzice and Osnovna Banka Valjevo—gave priority to regular fulfilment of its matured external foreign exchange liabilities.

The operational environment prevailing on the world financial market and the external foreign exchange liquidity of Yugoslavia, inevitably imposed on **UDRUŽENA BEOGRADSKA BANKA** during 1983, the alteration of its business strategy and orientation within the scope of its international operations.

This primarily concerns the activities of the bank in refinancing deals related to repaying principal maturing in 1983. The bank focused on the re-orientation of its borrowing operations from commercial banking to multinational finance organisations, such as the International Bank for Reconstruction and Development, European Investment Bank and on special interbank arrangements on commodity credits within the so-called "Yugoservice" package.

Concurrently, intensified activity in the more active utilisation of existing and concluding new credit arrangements with developing institutions and with Euro-European countries has been undertaken. Re-financing and re-newing foreign debt which matured in 1983 represented very complex financial operations which indicated the overall difficulties of the debtor country in such an economic environment. The credits obtained, remarkably reduced the pressure on the total foreign exchange potential of the bank and facilitated its foreign exchange liquidity, but the whole deal made the external debt even more expensive. In total external foreign debts of Yugoslavia, which increased in the last year, the basic banks and **UDRUŽENA BEOGRADSKA BANKA** participated with somewhat less than 15 per cent. The preparations for refinancing external liabilities maturing this year are in progress.

The network of **UDRUŽENA BEOGRADSKA BANKA** business units is represented abroad by the bank's agency in New York, a large number of permanent representative offices in London, Paris, Frankfurt, Vienna, Zurich, Moscow, Milan, Harare and Tripoli and information bureaux in Stockholm, Amsterdam, Brussels, Munich, Hanover, Stuttgart, Berlin and Cologne.

UDRUŽENA BEOGRADSKA BANKA is one of the founders of the following joint banks abroad: Anglo-Yugoslav Limited—London, Banque Franco-Yugoslave—Paris, LHB Internationale Handelsbank—Frankfurt A/M, Adria Bank AG—Vienna, International Investment Corporation for Yugoslavia S.A.—Luxembourg, The Development Bank of Zambia—Lusaka and East-African Development Bank—Kampala.

UDRUŽENA BEOGRADSKA BANKA maintains numerous current account and correspondent relations with banks and financial institutions on all five continents and in almost all countries throughout the world. In addition, a widespread network of business units abroad and a network of joint banks located in 17 countries on three continents for even more successful activities on the world financial market.

London Representative Office:
108, Fenchurch St, London, EC3M 5JJ.
Tel: 01-483 37667. Telex: 887689

YUGOSLAVIA 4

An Olympic Winter of great content

BY HAPPY COINCIDENCE, Yugoslavia hosted the Winter Olympics just at the height of the booking season for summer holidays. By good organisation and some luck with snow, the Games went to get in on the winter tourism act, with new ski facilities and 2,500-bed accommodation at Kopaonik,

a much wider choice in Yugoslavia. For, in addition to the old established resorts in the Slovene Alps in the north, and the brand new Olympic set-up at Sarajevo in central Bosnia, Serbia is now trying to get in on the winter tourism act, with new ski facilities relatively uncluttered around Christmas and New Year.

At the top end of the range, there is a need to increase the number of beds in luxury class hotels, particularly, Mr Bojkovski says, to attract American tourists. The Yugoslavs were enormously impressed by the U.S. interest in Sarajevo. Though this may have been strictly limited to the skiing itself, the Yugoslavs are keen to capitalise on their recent favourable publicity in the American market. Another factor is that security restrictions on U.S. civil servants and military personnel travelling to Yugoslavia were waived from this year.

At the lower end of the accommodation range, Yugoslav officials see an expansion in the private tourist sector resulting from the recent change in the law allowing private Yugoslav

Planned investment
A general advantage for West Europeans coming to the Yugoslav slopes, as Mr Bojkovski points out, is that school holidays in Yugoslavia come later than in Western Europe, around mid-January to early February, leaving Yugoslav facilities relatively uncluttered around Christmas and New Year.

Some new investment is also being planned inland for summer tourists, — for instance, the new time-sharing apartments being built in a joint venture with a Swiss company on the shores of Lake Ohrid, the beautiful inland sea that lies between Macedonia and Albania.

However, Mr Bojkovski

admits that the country is still short of good hotel accommodation. Of its total capacity to house 1.2m tourists, only 300,000 beds are in regular hotels, with the rest at camping grounds, small pensions and rooms in private houses.

At the top end of the range, there is a need to increase the number of beds in luxury class hotels, particularly, Mr Bojkovski says, to attract American tourists. The Yugoslavs were enormously impressed by the U.S. interest in Sarajevo. Though this may have been strictly limited to the skiing itself, the Yugoslavs are keen to capitalise on their recent favourable publicity in the American market. Another factor is that security restrictions on U.S. civil servants and military personnel travelling to Yugoslavia were waived from this year.

At the lower end of the range, Yugoslav officials see an expansion in the private tourist sector resulting from the recent change in the law allowing private Yugoslav

employers to hire up to 10 (instead of five as previously) non-family members.

However, Yugoslavia's main tourist asset is likely to remain its coastline, which is 6,000 km long if you include all the Adriatic islands. A recent frustration for the Yugoslav tourist industry has been their virtual exclusion from the growth in "nautical tourism". This has been run mainly by foreigners bringing in their own boats and chartering out their services in Yugoslav waters.

Mr Bojkovski says a number of measures are now being taken to give Yugoslavia more of this business, including a requirement that foreign boat charterers must have some local involvement to operate in Yugoslav waters, an increase in the number of berths in Yugoslav marinas, and the building of more 9 to 10 metre sailing boats to be hired out.

A depreciating dinar keeps holidaying in Yugoslavia relatively cheap compared to other Mediterranean countries.

STOPANSKA BANKA

ZDRUŽENA BANKA SKOPJE, MACEDONIA — YUGOSLAVIA

We are the local and
international bank

Stopanska banka brings together 26 banks
(branches) in the
Socialist Republic of Macedonia.

Headquarters: 91000 Skopje
II, Oktomvri 7, Tel. (091) 235-111,
Telex: 51140, 51472, yu sbank.

Representative Offices in:
London: 103 Kingsway, London WC2
Tel: 01-405 6053 - Telex: 266314
New York: Empire State Building,
Frankfurt/Main; Toronto; Sydney; Melbourne;
Detroit; Gary Merrillville, Indiana

RELY ON "JUGOMETAL" OF BELGRADE

Jugometal

F.O. Box 311
Bulevar Mihajla 28
11000 BEOGRAD
Yugoslavia

Phone: (011) 657-899
Cable: Jugometal Beograd
Telex: 12 223 jugmet al

Foreign Trade Organisation with almost 40 years of
experience in export and import of:

- Non-ferrous ores, concentrates, metals semi-finished and finished products
- Precious and rare metals
- Iron ores, concentrates, semi-finished and finished steel products
- Non-metallic raw materials and products
- Chemical raw materials, products and solid fuels
- Industrial equipment
- Agency of foreign companies
- Intermediary dealing
- Capital projects abroad
- Transfer of mining and metallurgy technology to developing countries

With a network of wholly owned companies, representative offices worldwide and participation in:

METALCHEM INTERNATIONAL LTD.
79-83 Great Portland St.
LONDON WIN 5FA
Telephone: 01-580 3482
Telex: 885932 MTLCHEM G

90

years
experience in chemistry
CHROMOS

one of the leading manufacturers of
chemical products in Yugoslavia

Paints and varnishes for metal, wood and civil engineering, marine paints and paints for coastal projects, painting of ships, for some types of industrial dyes for textile, leather and fur, polymer resins for civil engineering and construction, organic dyes, for textile, leather and fur, high polymer dispersions, agricultural chemicals, organic solvents, fungicides, herbicides and special preparations, fragrant compositions for detergents, soaps and other applications, auxiliaries for foodstuffs industry, emulsions, adhesives, thermoplastic polymers, ceramic pigments, stabilizers, anion and cation-active

CHROMOS

CHROMOS COMMERCIAL EXPORT-IMPORT
DEPARTMENT
Bulevar Mihajla 33,
11000 BEOGRAD
Zagreb 10000
Phone: (011) 416-899, 416-
322, 416-810

Tel: 21 358 71, Micheli 21
70000 Belgrade, SRB
AGENTS:
B.S.E. Gener Co. Ltd.
Headquarters: 149-151
Regent Street,
London W1R 5PA, Tel: 01-
734 7181

slavija lloyd

Reinsurance Company

Treaty and Facultative
Reinsurance
All Branches

Tel: 513211

ZAGREB

(10 lines)

Telex: 21210

ADRIATIC
CLASS

THE YOUNGEST BUSINESS CLASS IN EUROPE

JAT announces its new Adriatic Class, available on all European and Middle Eastern flights.

Our DC9s and 727s offer the business traveller the comfort of wider-spaced seats, separated from the Economy section — plus an international menu and wide choice of soft drinks, beer, wines, spirits.

You can pre-order vegetarian or low-calorie meals. Our computer booking system can help you with hotels and rent-a-car too. Naturally, you get



Yugoslav Airlines

201 Regent Street, London W1 Tel: 01-734 5370

priority boarding and disembarkation.

All this for no extra charge: the price is the same as the full Economy fare.

The newly-elected Serbian Communist party and government leaders face an uphill struggle to revitalise the economy, a prerequisite for reducing mounting political and social tensions and for combating rising Serbian nationalism. The latter is also a backlash to Albanian nationalism in Kosovo itself aimed at the Serbs there. The number of unemployed is high, especially among the young. That creates fertile soil for all kinds of political dissent which induces in return crack-downs on dissenters and the like.

The capable young head of the Serbian planning bureau, Miss Zivana Obilina, is confident that economic problems will be basically overcome within the next few years. Serbia under the latest plans will put further priority on exports, hard currency markets in particular.

**CORPORATION
ENERGOPROJEKT**

ENERGOPROJEKT
CONSULTING AND ENGINEERING CO.

ENERGOPROJEKT
ENGINEERING AND CONTRACTING CO.

ENERGOPROJEKT
ENERGODATA CO.

Corporation Head Office
12, Lenjinov Bulvar, Beograd — Yugoslavia: P.O. Box 20,
Phone: (011) 145-351, 145-458, 146-399, 145-391 and exchange
131-516 (40 lines); Telex YU ENERGO 11181, 12184; Cable
ENERGO-BEograd.

THE ARTS

Juda Rowan, Tottenham Mews, London W1/William Packer

Unwrapping the world of Christo

It often happens, such are the effects of fame, or notoriety, that an artist becomes fixed in his reputation upon work of a certain kind, sometimes even upon a single piece or image — Pollock and his drips, Henry Moore's holes, Dali's soft watch, Carl Andre's bricks, are only a few of the examples that, pace Dr Johnson, come uncalled into our thoughts at once. And Christo, who some 15 years ago wrapped up a million square feet of the coast of New South Wales in cellophane control fabric, is another, fated no matter what he had done before, or since, to be remembered in the public mind as that desperate figure on the cliff top wrestling with wind and rope to keep all his cloths on, or rather down.

Now up to a point there is nothing wrong in this, and no artist would wish his most grandiose and extravagant schemes to be entirely disregarded; but what should also be remembered is that art rarely comes out of nothing only to disappear altogether. It is the reputation itself rather than the work that would be any nine-days' wonder. Christo is not that rarity, his career now extends over nearly 30 years, and if his work does have a certain consistency to it in its preoccupations, both formal and conceptual, it is also patently true that it has developed, moderated and changed. The succinct retrospective that now occupies the Juda Rowan Gallery (until September 1) Objects, collages and drawings for his many projects since 1958, makes the point.

He is as straightforward a Surrealist as one could reasonably expect of that predictably perverse and erratic movement as it has moderated through the conceptualist developments since the 'fifties; and the idea which has principally engaged him has an honourable surrealist provenance. That which you can't see, you must imagine; and, as every fetishist will tell you, the very act and trappings of concealment soon become themselves the focus of speculation, anxiety, imaginative stimulation.

The Royal Tournament/Earls Court

Michael Coveney

The theme of this year's Royal Tournament—the 104th—is day in the life of the Royal Navy as seen through the eyes of a young officer. The officer's words are written by Rosemary Anne Sisson and delivered (on tape) by Prince Andrew. The vast arena becomes the deck of an aircraft carrier. An unspecified attack looms, a Harrier taxis forward for launch, gathering speed as it approaches the Warwick Road end. The noise accumulates, the Harrier disappears in a blackout and two model Sea Wolf missiles fly at astonishing speed through the building...

After this sensational opening, the slick majesty of the massed bands of the Royal Marines (about 250 of them) is followed by the predictable display elements of Alsatian dogs jumping through flaming hoops, the Royal Horse Artillery charging around with powder cannons, and a motor cycle team criss-crossing at 60 mph, which seemed not to alarm one of my party of little Action Men but reduced me to a quivering jelly.

This was my first Royal Tournament. The occasion, as far as I am concerned, belongs to that patriotic sub-culture of tattoos, trooping and royal processions for which a two-minute glimpse on the news highlights will more than



Christo with some of his wrapped furniture

Valley Curtain at Grand Hogback in Colorado (1972), the Running Fence across Sonoma and Marin Counties in California, 241 miles long (1976), 65m sq ft of pink woven polypropylene fabric floating on the sea around the islands in Biscayne Bay in Florida (1980-83).

The work goes on, with 11m oil drums here (a project

for Houston in 1980), 36 miles of rope there (NSW 1980), or it might be a mere 800 tons of concrete and 110,000 lbs of steel cable (Colorado 1972), or 90 miles of steel cable (California 1976). The sheer scale of his enterprise can at times take the breath away.

But the strange thing is that

truer perhaps to his fundamental idea, we almost begin to

regret that such colossal schemes are ever realised; for no matter how long the fence, or how deep the valley, the work once made has a finitude and the engineering that supports it a mundanity, that deflates the imagination. Before the drawing or maquette, we ourselves project the idea on to our own imaginative reality; and the drawings are vigorous and practical and beautiful besides. Outside the Gallery, Piccadilly Circus is wrapped up as it is.

With last week's Hard-Won Image still in mind, the exhibition of recent paintings by Barrie Cook at the AIR Gallery in Rosebery Avenue (until July 21) makes the point as well as any that the "hard-on" can never be exclusively applied to figurative painting. Until recently his work was characterised by very flat blocks of colour, atmospherically modelled by the air-brush, that moved and shifted against the picture-plane to articulate an ambiguous, unfocused space.

This show marks the move away from that position towards imagery that is no less ambiguous in its implications, but describes a clearer space, and a more solid form. The loose surface of the air-brush has been superseded by a thick and densely worked impasto of oil paint, that complements the weighty presence of these dark, striped mounds, that might be shelters or hives of some curious kind. But the work is still in transition, and if the shelter paintings are the most resolved, and physically the most satisfying, a newer work is emerging into something rather less specific, and more cosmic in its associations: great swirls of sky and sunlight. Cook is too good an artist not to work his way through to some conclusion, and the fact that this is his first proper London show since the Whitechapel in 1974 makes it all the more important to keep an eye on what he is doing. He shares this exhibition with Eric Moody, who is showing drawings and relief constructions.

Eric Moody, a personal kind of

Savonlinna Festival

The King Goes Forth to France

East Finland in summer, when the sun is warm and the chains of lakes and forested islands glitter, is one of earth's wonderful places; and opera, in a brilliantly achieved ensemble for the entire company, the "King of Savonlinna" castle at Savonlinna, with its stony grandeur, its towers and turrets, seems to become an entirely natural pursuit—not the delectation of canary-fancying cognoscenti; but a serious, noble, intensely enjoyable popular art form. As if all this were not sufficient to reward the visitor, this year's Savonlinna Festival offers the first performances of the third opera by Finland's leading composer, Aulis Sallinen, *The King Goes Forth to France*, commissioned by Savonlinna, the BBC and Covent Garden.

Sallinen's development as one of the very few natively gifted opera creators alive to day, marked by *The Horseman* (Savonlinna, 1976) and *The Red Line* (Helsinki, 1978) (and closely followed on this page), is of the greatest interest; and the unveiling of the new opera, not just because of the British connection, was an event of major importance on the international operatic scene.

This show marks the move away from that position towards imagery that is no less ambiguous in its implications, but describes a clearer space, and a more solid form. The loose surface of the air-brush has been superseded by a thick and densely worked impasto of oil paint, that complements the weighty presence of these dark, striped mounds, that might be shelters or hives of some curious kind. But the work is still in transition, and if the shelter paintings are the most resolved, and physically the most satisfying, a newer work is emerging into something rather less specific, and more cosmic in its associations: great swirls of sky and sunlight. Cook is too good an artist not to work his way through to some conclusion, and the fact that this is his first proper London show since the Whitechapel in 1974 makes it all the more important to keep an eye on what he is doing. He shares this exhibition with Eric Moody, who is showing drawings and relief constructions.

"Insecurely" must be the crucial adverb modifying any attempt to label *The King*. The plot, clear in outline, proves fascinatingly elusive in poetic detail—more than one English-speaking Finn was heard to mutter that it was only on reading Stephen Oliver's amplified translation that any understanding of Haavikko's text could begin. A new Ice Age approaches England; it has already solved the Irish question, the Prime Minister declares that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every change of mood signalled by the battery of percussion that's perhaps a cumbersome way of "placing" the long-term mastery of tonality and structural form; but Sallinen's gift for limning the right vocal gesture, for varying texture, for balancing and blending diverse combinations of voices, for modulating from speech (an important minor part, Froissart the historian, goes to an actor) into song and pathos, is a rare and exuberant Shostakovich scherzo, at once zestfully comic and darkly pessimistic, its every

UK COMPANY NEWS

Brown Shipley to raise £6m by rights

Brown Shipley Holdings, banking, finance and insurance broking group, one of the smaller of the accepting houses, is raising £8.03m through a one-for-five rights issue at 26p per share. Cazenove are arranging the underwriting.

The chairman of Brown Shipley, Lord Farham, says that the group has no specific acquisitions planned but needs the funds as additional working capital to develop existing activities.

Towards the end of the last year to March, the company strengthened its banking sub-

sidiary by injecting £3m into it. He says that opportunities appear particularly attractive in foreign exchange and commercial banking for customers engaged in overseas trade and in the development through Merchant Leasing of personal credit subsidiary, of lending activities.

Brown Shipley intends to expand its leasing company Lease Management Services which it expects to benefit in the long term from the changes in tax allowances announced in the Budget.

The areas where Brown Ship-

ley expects it might make acquisitions in the future are within its insurance group and certain service areas in the banking group, particularly in the fund management field.

The board says its shareholders that it expects markets to remain "volatile and full of uncertainties and that margins will remain extremely competitive."

It says that with the "encouraging trend" in profitability of the last few months, it should be able to at least maintain the level of dividend on the share capital of the company as enlarged by the rights issue.

Dealing in the new shares are expected to begin on Thursday August 9 and will not rank for the final dividend of 5p per share to be paid on August 6 in respect of the year ended March 1984.

• comment

Brown Shipley has had a quite modest growth record in recent years. Disclosed group profits after tax rose only slightly from £2.61m to £2.64m in 1983. Earnings per share increased from 21.9p to 23p and net assets per share from £2.88m to £2.95m.

The board has said that the going is tough in all their markets described as "volatile" and "full of uncertainties," and there is not a lot a group can do with 50m. Brown Shipley has little to distinguish it from its competitors besides the success of its UK specialist school fees operation in the insurance group and the status of membership of the Accepting Houses Committee on the banking side. On the other hand the discount to yesterday's share price of 33.55p at 26p per share is quite generous and should encourage shareholders to take up their rights.

Hillards ahead to £6.8m: pays extra 20%

AN INCREASE of 16 per cent pre-tax profit from £5.81m to £6.76m has been shown by Hillards for the year to April 24 1984. Turnover, boosted by the impact of new stores, grew from £204.26m to £223.4m, including VAT. Profit margins, before tax, improved from 2.84 per cent to 3.29 per cent.

The net final dividend has been lifted from 2.8p to 3.35p which raises the total by 20 per cent to 4.8p. Earnings per 10p share were shown as rising from 18.3p to 21.2p.

Mr Peter Hartley, chairman of the supermarket operator, says that net sales for the year to the end of April 1983 will show an improvement on the year just ended.

At the halfway stage pre-tax profits moved up from £26.1m to £31.26m and the directors said they expected that the full year would show a satisfactory

Ellis & Everard up 37% to £2.56m — U.S. acquisition

TOGETHER with a 37 per cent increase in taxable profits, the directors of Ellis & Everard, merchandising and chemical processing group, also announce a £5m acquisition in the U.S.

For the year ended April 30 1984 turnover rose by 25 per cent to £201.1m (£45m) while the pre-tax figure advanced from £26.86m to a record £32.1m, after increasing to £1.16m (£319,000).

Ellis' pre-tax figure was after interest payable down from £288,000 to £151,000. Tax charge was £1.4m, compared with £562,000, minority interest took £54,000 (£35,000) and a reinstatement of fuel tax provision for the year (£44,000) was met by a transfer from reserves.

Of the attributable balance of £1.86m (£1.27m) dividends will absorb £75,000 (£58,000).

On capital increased by the scrip and rights issues, earnings per 25p share were shown as unchanged at 12.4p.

Applied Botanics cash call

By William Dawkins

Applied Botanics, the troubled plantlet company quoted on the Unlisted Securities Market, is calling on its shareholders for £1.75m following a £600,000 loss at its New Ruaton Garden subsidiary.

The group, which joined the USM last October, warned in March that New Ruaton would not meet its proposed profits forecast of £2.0m before tax in the year to March.

New Ruaton was unable to adjust its production to unforeseen changes in demand with the result that it had to buy in mature plants at considerable cost and its planting cycles were thrown into chaos. Yesterday's announcement sent the shares down 2p to a new low of 7p.

The losses include a £100,000 exceptional charge relating to the cost of making 70 of the group's 230-strong workforce redundant. As a result of the setback, group borrowings have risen to £2.3m, nearly twice net tangible assets of £1.2m.

Most of the losses relate to the period before New Ruaton was acquired by Sampang (Java) Rubber Plantations which was revalued Applied Botanics last September. The group reported yesterday that it made £1.00m in the year to last December on turnover of £1.87m — the prospects forecast a break-even position.

Mr Jeremy Pertwee is to resign as chairman, but will continue to act as a consultant to the group. Mr Ken Koenig, managing director of NPK Holdings, a privately-owned fertiliser manufacturer, is to become non-executive chairman.

Shareholders are being offered six new shares at 5p each and £1 nominal of new convertible stock at par for every 31 shares in issue. The aggregate subscription price of each of the 12m new units amounts to 12p.

REA Holdings, the plantations group, has undertaken to take up its rights in respect of its entire 30 per cent stake in the group and underwrite a further 30 per cent of the issue. Noble Grossart, the merchant bank, has undertaken the rest.

• comment

It is hard to see how Applied Botanics could be viable after this new injection of capital. Even after the rights issue, borrowings will be £1.5m against net tangible assets of £1.2m. In its favour, Marks and Spencer, which takes some 40 per cent of New Ruaton's output, has given assurances of support. Meanwhile, the directors are setting up a plantlet trading division which should ride out the fluctuations in demand which its growing operations have been so disastrously unable to handle. In future, one-third of the Clacton nurseries will be set aside to provide some leeway for unexpected market changes, and the group has slimmed down its range from 80 to 60 varieties, abandoning those plantlets which are hard to buy or difficult to grow. Clearly, Applied Botanics has learned from its mistakes but it will be a long time before it regains the City's confidence.

Overall progress lifts Vinten to £4.2m

IN A YEAR of "good progress for the development of the group," pre-tax profits of Vinten Group have risen 24 per cent to a record £4.16m.

The result compares with £3.29m last year and includes £1.2m of trading of the Trivector Group and one month of S. Davall & Sons, both acquired in the course of the year.

Turnover, including the proportionate contribution from the two acquisitions, improved by 29 per cent from £17.74m to £22.85m. The group manufactures military systems, telecommunications, electronic components, computer systems and scientific instruments.

The directors have proposed a final dividend of 1.88p net, up from 1.56p, which lifts the total from 1.45p to 2.8p on capital increased by acquisition. Earnings per 20p share rose by a stated 2.9p to a new low of 7p.

Commenting on the performance, Mr Michael Brown, chairman, states that each of the group's four main activities has made a "meaningful contribution" to profits.

The results of the group's activities based abroad are now material to its overall performance, he says. Exotic Materials, based in the U.S., increased its sales by 41 per cent to \$8.85m.

Vinten had an "excellent" first half when it completed a major military contract but a dull second half because of a much lower content of such work. More than compensating for this, W. Vinten GmbH, Exotic Materials, Trivector and Vinten Instruments all produced "outstanding" success in the second half.

The return on average net operating assets employed at 33 per cent was significantly above the industrial average.

In February 1984 the group assumed the SIG Davall borrowings of approximately £2m. Nevertheless, its balance-sheet is still strong; net cash and near cash balances total £1.47m.

During the past two years, the chairman continues, "we have invested heavily both in our traditional activities and in acquisitions to give us the

present well balanced base in growing markets from which we now expect to see real benefits flow through."

Trading profit was up from £3.29m to £4.03m, to which interest added a further £129,000 (£30,000). After tax had taken a large sum at 51.80m against £2.66m (£2.01m).

There was an extraordinary debit of £182,000 last year, while the £964,000 provision for deferred tax in the year under review, a result of the Finance Bill proposals, was met by a transfer from reserves. The dividends took £570,000 (£461,000), to leave £2.09m in retained profit.

• comment

The market was expecting more from Vinten and duly punished the group taking the share down to 1.4p to 2.4p, their lowest for the year. This reflects a slight decline in sales and profits in the group's older businesses — TV camera mountings and military reconnaissance mountings. However, in the current year

orders on the TV side are 17 per cent up, the military business has secured a lead one-year contract, which was conspicuously absent last year and should also begin to profit from two new products—an autogyro and an infantry-operated tracking mount. Equally importantly, Vinten's profits are looking more secure in the last year because the group is better balanced throughout the group. The radiation instruments business has been turned round from loss into profit and computing has been successfully expanded following the acquisition of PWS Electronics. Electronic products for infra-red and other sensing equipment, is also growing rapidly—both in the very profitable U.S. arm and in the UK business, which is moving out of the development stage and should break even this year. The group does quite well for example—a listed company for example—but the emphasis is on internal growth.

Vinten should make £5.5m pre-tax this year, putting the shares on a prospective p/e of about 15, assuming a 36 per cent tax charge.

Hunterprint expands 20% to £0.92m

PRE-TAX profits of Hunterprint Group, commercial colour printing concern, based in Corby, Northants, moved ahead by 20 per cent to £91.6m in 1984, compared with £76.7m for the six months ended April 1 1984, upped with a previous £7.67m, 10p a share for the 1.4m shares giving a historic p/e of 10 and a yield of 6 per cent.

Dealing begins on Friday, July 20.

The group has a five-year record of steadily increasing pre-tax profits. It made £1.65m in 1983 and £1.86m in 1984. It incurred exceptional expenses in 1983 and 1984 of £383,000 and £49,000 mainly related to doubtful debts of £94,000 which they had not received and relate to business concluded before 1980 and £498,000 related to the closing of an underwriting subsidiary in New York.

The remaining shares are considered widely enough held for the Stock Exchange to waive its usual requirement that 25 per cent of the equity be offered to the public for a listing.

According to the group, when the one kind of business declines the other tends to improve. Their presence in both areas, therefore, should act as a cushion in difficult market conditions. It claims a particular advantage in the fast-moving business which accounts for around 75 per cent of total brokerage and commission income.

The quotation will create a market in the shares for existing shareholders and will also raise some £2.3m cash for the three directors. They have taken a

Pearson Webb £15m SE listing

Pearson Webb Springbett, one of the largest UK independent reinsurance brokers, joins the Stock Exchange this week with a market capitalisation of £15.5m.

PWS handles both facultative and treaty reinsurance business. It defines the former type of business as when individual risks are offered to reinsurers, who are free to accept or reject them. Under treaty business, each risk is in a specified category of business written by an insurer is automatically ceded to reinsurers under continuous contracts.

According to the group, when the one kind of business declines the other tends to improve. Their presence in both areas, therefore, should act as a cushion in difficult market conditions. It claims a particular advantage in the fast-moving business which accounts for around 75 per cent of total brokerage and commission income.

The group, which the chairman, Mr Malcolm Pearson, says has had a string of net gains over the last few years, is in a strong position for the foreseeable future.

The three board directors, Mr Clifford Catt, Mr David Springbett and Mr Pearson, hold 60.3 per cent of the equity after the placing of 1.4m shares, equal to 20 per cent of the equity, by brokers Sheppards and Chase.

The remaining shares are considered widely enough held for the Stock Exchange to waive its usual requirement that 25 per cent of the equity be offered to the public for a listing.

Mr Richard Zamboleo, Sun Life's managing director, said that while the abolition of Life

cut in salary to £100,000 each, saying that remuneration in future will be linked to the performance of the company through dividend payments.

They had originally intended to offer 50 per cent of the market through an offer for sale of shares but due to the shaky market conditions has opted for a placing, successfully completed at 21.4p per share for the 1.4m shares giving a historic p/e of 10 and a yield of 6 per cent.

Dealing begins on Friday, July 20.

The group has a five-year record of steadily increasing pre-tax profits. It made £1.65m in 1983 and £1.86m in 1984. It incurred exceptional expenses in 1983 and 1984 of £383,000 and £49,000 mainly related to doubtful debts of £94,000 which they had not received and relate to business concluded before 1980 and £498,000 related to the closing of an underwriting subsidiary in New York.

The remaining shares are considered widely enough held for the Stock Exchange to waive its usual requirement that 25 per cent of the equity be offered to the public for a listing.

According to the group, when the one kind of business declines the other tends to improve. Their presence in both areas, therefore, should act as a cushion in difficult market conditions. It claims a particular advantage in the fast-moving business which accounts for around 75 per cent of total brokerage and commission income.

The group, which the chairman, Mr Malcolm Pearson, says has had a string of net gains over the last few years, is in a strong position for the foreseeable future.

The three board directors, Mr Clifford Catt, Mr David Springbett and Mr Pearson, hold 60.3 per cent of the equity after the placing of 1.4m shares, equal to 20 per cent of the equity, by brokers Sheppards and Chase.

The remaining shares are considered widely enough held for the Stock Exchange to waive its usual requirement that 25 per cent of the equity be offered to the public for a listing.

Mr Richard Zamboleo, Sun Life's managing director, said that while the abolition of Life

Unit-linked boost for Sun Life

RECORD NEW life and pensions business in the first half of the year is reported by Sun Life Group, thanks to the continued strong growth of its unit-linked operations.

Total new annual premiums advanced by 18 per cent from £23.2m to £27.4m, while single premium savings were one-third higher at £119.2m against £89.8m.

The unit-linked subsidiary reported a 74 per cent jump in single premium business from £25m to £43.6m, putting the company up among the leaders for this business. The unit-linked percentage plan is now selling well.

The other major growth field was individual pensions where single premiums, traditional and unit-linked, nearly doubled from £16.4m to £30.3m. The company's

self-invested arrangements, such as the Savings Plan, for individual pensions are proving increasingly popular.

Mr Richard Zamboleo, Sun Life's managing director, said that while the abolition of Life

cut in salary to £100,000 each, saying that remuneration in future will be linked to the performance of the company through dividend payments.

They had originally intended to offer 50 per cent of the market through an offer for sale of shares but due to the shaky market conditions has opted for a placing, successfully completed at 21.4p per share for the 1.4m shares giving a historic p/e of 10 and a yield of 6 per cent.

Dealing begins on Friday, July 20.

The group has a five-year record of steadily increasing pre-tax profits. It made £1.65m in 1983 and £1.86m in 1984. It incurred exceptional expenses in 1983 and 1984 of £383,000 and £49,000 mainly related to doubtful debts of £94,000 which they had not received and relate to business concluded before 1980 and £498,000 related to the closing of an underwriting subsidiary in New York.

The remaining shares are considered widely enough held for the Stock Exchange to waive its usual requirement that 25 per cent of the equity be offered to the public for a listing.

According to the group, when the one kind of business declines the other tends to improve. Their presence in both areas, therefore, should act as a cushion in difficult market conditions. It claims a particular advantage in the fast-moving business which accounts for around 75 per cent of total brokerage and commission income.

The group, which the chairman, Mr Malcolm Pearson, says has had a string of net gains over the last few years, is in a strong position for the foreseeable future.

The three board directors, Mr Clifford Catt, Mr David Springbett and Mr Pearson, hold 60.3 per cent of the equity after the placing of 1.4m shares, equal to 20 per cent of the equity, by brokers Sheppards and Chase.

BIDS AND DEALS

Reed Intl.
pays \$24m
for U.S.
paint group

Reed International, the publishing group which last week sold Motor Group Newsweek to Mr. Fraze Industries for \$125m, has paid US\$24.0m (£15.3m) in cash for Fraze Industries, a paint supplier based in San Diego, California.

Fraze operates 24 retail outlets in Southern California, Arizona, and Oregon, and



Sir Alex Jarrett, chairman of Reed International.

reported pre-tax profits of \$2.9m on a turnover of \$47.0m in 1983. Reed recently acquired two other U.S. paint and DIY manufacturers, Parker Paint in the Pacific Northwest and Ronson Adhesives in New Jersey. These contributed film to Reed's paint and DIY profits of \$9.8m, or turnover of £15.3m, in the year ending April 1 1984.

Fraze Industries will continue to operate under existing management, as have Reed's other U.S. paint and DIY acquisitions.

Allianz
rules out
counter bid

Dr Wolfgang Schieren, chief executive of Allianz Versicherung, West Germany's largest insurance group, stated that his company was not considering taking an interest in Sun Alliance and he reaffirmed that it had never been interested in Phoenix Assurance. He emphasised that any rumours to this effect were totally unfounded.

So it can now be safely inferred from this statement that Allianz is not going to make a counter bid for Phoenix, neither is it going to attempt to gain full bid for Phoenix.

Allianz may still be committed in principle to establishing a major presence in the UK insurance market. But the loss of its finance director, Mr Marcus Bierlich, who has gone to head the Bosch Group, could set back any practical move by Allianz.

BASE LENDING RATES

	12 months	6 months
A.E.N. Bank	12.8%	12.8%
Allied Irish Bank	12.8%	12.8%
Amex Bank	12.8%	12.8%
Henry Anchorage	12.8%	12.8%
Arco Trust Limited	12.8%	12.8%
Associates Cap. Corp.	12.8%	12.8%
Banco de Bilbao	12.8%	12.8%
Bank Hapoalim BM	12.8%	12.8%
BCCI	12.8%	12.8%
Bank of Ireland	12.8%	12.8%
Bank of Cyprus	12.8%	12.8%
Bank of France	12.8%	12.8%
Bank of Scotland	12.8%	12.8%
Barngate Edge Ltd.	12.8%	12.8%
Barclays Bank	12.8%	12.8%
Beneficial Trust Ltd.	12.8%	12.8%
Brit. Bank of Mid. East	12.8%	12.8%
Brown Shipley	12.8%	12.8%
CL Bank Nederland	12.8%	12.8%
Canada Permanent Trust	12.8%	12.8%
Cover Ltd.	12.8%	12.8%
Ceda Holdings	12.8%	12.8%
Charterhouse Jephcott	12.8%	12.8%
Chubnorians	12.8%	12.8%
Citibank NA	12.8%	12.8%
Citibank Savings	12.8%	12.8%
Clydesdale Bank	12.8%	12.8%
C. E. Coates & Co. Ltd.	12.8%	12.8%
Com. Bldg. Estd.	12.8%	12.8%
Consolidated Creditors	12.8%	12.8%
Co-operative Bank	12.8%	12.8%
The Cyprus Popular Bk.	12.8%	12.8%
Dunbar & Co. Ltd.	12.8%	12.8%
Duncan Lawrie	12.8%	12.8%
E. T. Trust	12.8%	12.8%
Exeter Trust Ltd.	12.8%	12.8%
First Nat. Fin. Corp.	12.8%	12.8%
First Nat'l. Fin. Corp.	12.8%	12.8%
Robert Fleming & Co.	12.8%	12.8%
Grindlays Bank	12.8%	12.8%
Guinness Mahon	12.8%	12.8%
Hambros Bank	12.8%	12.8%
Heritable & Gen. Trust	12.8%	12.8%

Foundation wants higher offer for Leech stake

By RAY MAUGHAN

The board of William Leech Foundation wants a higher offer for its 29.7 per cent stake in William Leech, the Newcastle-based housebuilding company. The foundation, which yesterday said it had taken advice from Morgan Grenfell, the merchant bank called in last week to guide the board on the contested £21.5m bid for the housebuilder from C. H. Beazer (Holdings) and J. Henry Schroder (Holdings), requested the company's own advisers, to seek a higher offer which would be the recommendation of the Leech board.

At the same time, Mr William Leech, the founder of the company which bears his name, confirmed that he would use his power of veto over the Foundation's shareholding when he said that he "would not be prepared to give written consent

to the sale by the Foundation of its holding in Leech."

Schroder was seeking further clarification of the Foundation's objectives yesterday. It was not immediately clear whether the Foundation's board had learnt Beazer's £45p offer after it had been rejected by the operating company directors have opposed the bid at this level or whether the Foundation was signalling acceptance in the hope that further negotiation might produce better terms.

Country Bank, acting for the housebuilder company who owns the 29.7 per cent stake in the Foundation, on behalf of five named charities, is reported to have been opposed to Beazer's offer throughout, and the statement yesterday failed to make it clear whether he is now resolved to oppose this offer specifically or any bid for the company whatsoever.

the end of this week and the bid is final.

Only in the event that negotiation secures agreement of a higher offer would Beazer now be in a position to alter the terms. As it is, Leech's shares continue to trade at a substantial discount of 25p per share to the cash offer which may well be sufficient to draw out a significant level of acceptances from uncomplicated shareholders.

Mr William Leech, founder of the housebuilder company who owns the 29.7 per cent stake in the Foundation, on behalf of five named charities, is reported to have been opposed to Beazer's offer throughout, and the statement yesterday failed to make it clear whether he is now resolved to oppose this offer specifically or any bid for the company whatsoever.

Bridgend Processes sees profit as costs are cut

Bridgend Processes, security equipment distributor, which has made a £1.92m bid for H. Woodward, the North-west vehicle and parts distributor, it expects to make a small pre-tax profit in the year ending December 31 1984. It made a loss of £76,000 in 1983.

Turnover is 36 per cent ahead of 1983 in the year so far and the company's managing director, Mr Neil List, Bridgend chairman, said in a letter to his shareholders:

Bridgend is offering 76 of its own shares for every 29 Woodward with a cash alternative of 76p per share.

Jourdan agrees £0.5m for Squires (Copper)

Thomas Jourdan, the industrial holding company which takes in a share of Mary Quant fashion royalties among a string of consumer interest, finally agreed the acquisition it had been negotiating for the past eight months when it arranged to pay £501,000 for Squires (Copper).

Founded by Mr Frank Squires in 1956, Squires (Copper) makes copper canopies, hearths and allied products for gas and electric fires. Over the past 12 years, Jourdan's own subsidiary, Suncrest Surrounds, has been Mr Squires' principal customer taking about half the output of his Kidderminster, Staffordshire, private company.

Mr Archie Squires, chairman of Jourdan, said yesterday that the acquisition, which is subject to shareholders' approval, would secure a very competitive source of raw materials for Suncrest.

The purchase will be financed by the issue of 900,000 ordinary shares in Squires (Copper) which will be 5.3 per cent.

Mr Squires' interest in Squires (Copper) from 5.3 per cent to 14.4 per cent.

The purchase will be financed by the issue of 900,000 ordinary shares in Squires (Copper) which will be 5.3 per cent.

The payment will be made up of £387,000 in cash and the issue of 139,535 ordinary 10p Royal Trust shares. That equates with net worth of £850,000.

Negotiations are already in hand to acquire a number of smaller but profitable activities outside those in which the company has traditionally been engaged and which can be developed and expanded at Sandbach during 1984-85. It is anticipated that some of these negotiations will be brought to a satisfactory conclusion."

The management of Consultants and Designers (UK) has bought the company from the Canadian government of the U.S. for about £2m, supported by City institutions organised by Candover Investments.

The company provides on contract, electronic engineers and specialists primarily to large UK and European countries active mainly in defence, electronics and telecommunications.

In pre-tax profit for 1983 was £384,000 on a turnover of £4.5m.

The sale was part of Greyhound's programme of divestment, aimed at concentrating its operations on certain mainstream activities.

* * *

Albert Martin (Holdings), the Nottingham-based textile group, has agreed to increase the group's stake in its overseas subsidiary, Martin Emprex (Far East) from 80 per cent to 95 per cent.

Albert Martin will acquire the 15 per cent interest from Mr S. C. Y. Ling, managing director of Martin Emprex in Hong Kong, for £522,000. Mr Ling will retain 5 per cent.

The purchase will be financed by the issue of 900,000 ordinary shares in Albert Martin at a price of 50p per share which will be 5.3 per cent.

Mr Ling's interest in Albert Martin from 5.3 per cent to 14.4 per cent.

* * *

Prichard Services Group, the London-based international security services group, has bought Tight Grip Services, the manned security specialist, for about £200,000.

Prichard Services Group, the London-based international security services group, has bought Tight Grip Services, the manned security specialist, for about £200,000.

* * *

Net assets per 10p share at Tops Estates were shown as rising from 11.3p to 14.5p reflecting an investment option and the Shinetop merger last April.

Including the option to acquire a 75 per cent interest in an unlisted property investment company, and the merger, the figure was shown as 70.15p.

Net assets per 10p share at Tops Estates were shown as rising from 11.3p to 14.5p reflecting an investment option and the Shinetop merger last April.

Net assets per 10p share at Tops Estates were shown as rising from 11.3p to 14.5p reflecting an investment option and the Shinetop merger last April.

Net assets per 10p share at Tops Estates were shown as rising from 11.3p to 14.5p reflecting an investment option and the Shinetop merger last April.

* * *

In announcing a pre-tax profit of £683,000 for the year ended April 30, 1984, the directors of Sunbeam Electronics have beaten some £64,000 of the forecast made at the time of the company's admission to the USM last February.

The result compares with a £111,000 profit last time, and was achieved on turnover which rose by 68 per cent from £5.42m to £8.8m.

Mr John Nichol, the chairman of this distributor of electronic components, industrial closed circuit video equipment and microcomputers, regards the result as "highly satisfying" and views them as a "springboard for renewed and increased activity."

The current financial year has started encouragingly, he says, with performance of the group in excess of budget for the first two months.

The dividend for the year is 1p, again as forecast.

The tax charge was increased from £19,000 to £213,000, and minorities took £19,000 (£13,000).

Earnings per share are shown as 6.98p (1.3p) before an extraordinary debit of £22,000, (£4,000).

* * *

Pre-tax revenue at Murray Northern Investment Trust increased from £372,000 to £1.19m

Petbow probes new directions

The directors of Petbow Holdings in the annual report that the continuing conflict in the Middle East and the political changes taking place in African territories are likely to have major impacts on the company's export sales in the short term.

Walton remained a major and significant manufacturer of existing products it is intended to diversify into other businesses, making use of the company's space and facilities on the Sandwich site.

Negotiations are already in hand to acquire a number of smaller but profitable activities outside those in which the company has traditionally been engaged and which can be developed and expanded at Sandbach during 1984-85. It is anticipated that some of these negotiations will be brought to a satisfactory conclusion."

The company is considering acquisitions in the U.S. aerospace, space, specialised metal treatment, and food packaging industries.

* * *

Alexander Russell has announced that it has completed the acquisition of Springfield Sand & Gravel. The consideration of £2.53m has been satisfied with £1.67m in cash, £327,537 of new Russell 94 per cent unsecured loan notes, and 743,632 Russell shares.

The U.S. along with oil and gas exploration and production interests.

Shareholders in Barrick will receive one share in the amalgamated group for each share currently held, while Camilo shareholders receive seven shares in the new group for each Camilo share.

Former Barrick shareholders will own 75.4 per cent of the new company, with Camilo holders owning 23.6 per cent and Bob-Claire holders 1 per cent.

Brent Chemicals in £1.3m U.S. sale

By GEORGE MILLING-STANLEY

OVERALL NET profits of the four gold mines in South Africa's Rand Mines group fell by 4.5 per cent to R41.4m (£1.3m) in the three months to June 30.

The group said yesterday that higher working costs following wage increases awarded to white miners were largely responsible for the decline. White labour costs account for between 20 and 30 per cent of the mines' total costs, the group added.

Further increases in costs are in prospect for the current quarter, with the award of sizeable cost increases to the black workforce.

BCI recently sold its laundry and food division to the U.S. which combined with its site will realise \$3.85m (£5.8m) for the company, and after allowing for all costs will produce an extraordinary gain of approximately £2m.

BCI also expects to announce the sale of its U.S. brewing supplies, Schwartz Services, in mid-August. Its U.S. sales will consequently fall from about \$25m to \$4m, since it will be left only with a Los Angeles-based aerospace industry supplier.

The metal finishing operations in the U.S. lost money in 1982 but were back in the black in 1983 with pre-tax profits of \$75,000 on sales of \$3.3m. Yet

BCI's profit of £1.3m for the year ended June 30, 1984, was well below the £1.67m profit of £1.3m for the year ended June 30, 1983. This was due to the impact of tax changes in the U.S. and the fall in the value of the dollar.

Declining gold grades at both mines led to lower net profits, but with a fall in the gold grade to reduce production and raise operating costs, uranium operations suffered here, too, with a loss of £88,000 compared with profits of £7.5m.

MINING NEWS

Rand Mines gold profits hit by rising costs

BOARD MEETINGS

TODAY	July 24

<tbl_r cells="2" ix="3" maxcspan="1

THE MANAGEMENT PAGE: Small Business

Premises

Looking for a break

Tim Dickson on how two companies sought to change the minds of their local councils

EXPERTS SOMETIMES tell you that the biggest struggle for a new business is its first three years after start-up. But Mike Moore and Barry Buckle are not so sure.

Since setting up a packaging company that bears their names in small council premises in mid-1981, the former Metal Box executives appear to have gone from strength to strength. Orders have poured in to their St Helen's, Merseyside, headquarters. Five extra full-time employees and one part-time employee have been hired, and sales for the year just ended worked out at £300,000 (with £1.5m expected for the current 12 months). Customers responded to the company's flexibility, speed of response, and (above all) willingness to do the sort of "short runs" which larger packagers find uneconomic.

In view of this achievement and the company's successful negotiation of most of the early hurdles, it is ironic that progress recently has been seriously hampered by a problem with the lease on its premises. Ambitious to expand into new and larger premises elsewhere in St Helen's, Moore and Buckle has been told by the council that the company can only break its existing agreement (which runs to mid-1987)

by paying a lump sum of £15,000 to make up for the "lost" rent.

The company has plans to take on eight extra people following its proposed move to the new factory—projection which neither the council nor the nearby Community of St Helen's Trust (a small business advisory centre) would dispute.

So Moore is not surprisingly angry. "I've offered them £2,000 so far but £15,000 is a lot of money. It's the cost of a new machine to us. Surely they

would be grateful that we are

doing well and give us some help rather than putting money into speculative buildings which may or may not create new jobs?"

Moore is also upset because he claims that when he eventually signed his two 20-year leases (with six yearly "break" clauses) in August 1982 he was given a verbal undertaking that there would be no problem moving if the business outgrew the present site.

Although sympathetic to the company's plight, St Helen's Metropolitan Borough Council is unrepresentative and pins the blame fairly squarely on central Government policies. Explains Graham White, the council's industrial development officer: "Mike Moore came to me last year and wanted us to release his company from its



Mike Aron

Barry Buckle (left) and Mike Moore: finding it expensive to terminate their lease

obligations under the lease. We feel that with the six year "break" clauses it is fairly flexible and we had said that if he wanted to move to alternative council accommodation there would be no difficulty breaking it earlier than that.

"We have offered him a number of other premises owned by the local authority since the one building that suits his purpose is in the private sector we will end up showing a financial loss."

White says that St Helen's has no choice but to impose a penalty in view of the Government's policy to penalise "overspending" councils.

David Bolt, Director of the Community of St Helen's Trust, which has helped advise Moore and Buckle in the past, says

that while he "understands" both points of view "he hopes that efforts can be made to help the company. He points out that new businesses need flexible lease agreements and reports that the local units built by Pilkington Brothers, the big glassmaking group, and let as letting, tenancies have been extremely popular and successful. "We find that small businesses are often too easily hooked by the lure of rent-free periods."

On the other hand, he believes landlords can be unreasonable. Another of his clients in St Helen's recently gave notice three days late that he wanted to exercise a three year break clause. But the landlord refused to relent.

Ganguly says that there are no easy answers. He emphasises that while the 1971 Bolton Committee Report cut-off level of 200 employees for the manufacturing sector as a whole "remains probably the most suitable one for the UK," the DTI has decided not to go for a single definition. Instead, it will "adopt a flexible attitude which . . . allows each case to be looked at on its merits."

CHADWYCK HEALEY Microform Publishing, a company which undertakes microfilming for the publishing industry from a converted granary near Royston, in Cambridge, has won the 1984 Rural Employment Award.

The source of new jobs

WHERE DO jobs "come from" and "go to" in a modern economy? The answer to this question has assumed increasing importance in the UK since the present Government introduced its well publicised measures to encourage small firms.

Hitherto, academics and policymakers have relied on several recent studies which are far from conclusive. The most famous is the research carried out by Professor David Birch in the U.S. which found that over the period 1969-76 two thirds of net new jobs (births plus expansions minus closures plus deaths) came from firms with less than 20 employees.

In view of these apparent contradictions news by Professor Colin Gallagher of Newcastle University based on the computerised data file of a large commercial credit rating and market research organisation between 1971 and 1981 is to be welcomed.

The main limitation in the study is that the employment data was provided by each company in a broad band

rather than as a specific number

and "greatly reduces the confidence with which changes in aggregate employment can be inferred." Nevertheless the sample covers around 75 per cent of private sector employment, covers service as well as manufacturing industry, and has been enthusiastically noted by the Government which published

an edited version last week in the Department of Trade and Industry's house magazine (British Business July 13 1984).

The study shows that firms with under 20 employees provided 31 per cent of all new employment, although representing only 15 per cent of total employment at the beginning of the decade. Firms employing 20 to 99 people did well, also generating more new jobs than they represented in total employment. Firms in the 100 to 999 range did slightly worse than might have been expected while those with more than 1,000 employees performed very well.

Perhaps the greatest interest will be reserved for work currently being carried out at Newcastle covering the 1981-84 period—years of even greater structural change.

"Jobs and the Business Life-

cycle in the UK. By C. C. Gallagher and H. Stewart Available from Department of Industrial Management, Newcastle University, Newcastle upon Tyne NE1 7RU. Price £2.

T.D.

In brief . . .

HOW SMALL is a small firm? An American academic recently devoted several hundred pages to discussing this question, but a slightly briefer contribution (two pages) written by Poin Ganguly, the statistician in the Department of Environment and Industry's Small Firms Division, can be found in the June 22 issue of the DTI's house magazine British Business.

Ganguly says that there are no easy answers. He emphasises that while the 1971 Bolton Committee Report cut-off level of 200 employees for the manufacturing sector as a whole "remains probably the most suitable one for the UK," the DTI has decided not to go for a single definition. Instead, it will "adopt a flexible attitude which . . . allows each case to be looked at on its merits."

CHADWYCK HEALEY Microform Publishing, a company which undertakes microfilming for the publishing industry from a converted granary near Royston, in Cambridge, has won the 1984 Rural Employment Award.

The company has a payroll of 5,000 all recruited locally. Given joint with the Country Landowners' Association (CLA) and the Council for Small Industries in Rural Areas (CoSIRA), the competition is designed to encourage landowners and others to create sustained non-agricultural employment in rural areas.

Run on a regional basis, entries this year came from eight counties in CoSIRA's Eastern region with other prizewinners including a former dairy farm which now houses a country fashions business, a former dairy converted into a worksite producing pet accessories, a former home now housing a specialist supplier of accessories for musical instruments, and a former chapel converted to house cabinet makers and picture restorers.

"It is essential that we provide those who live in the country with alternatives to agriculture if we are to continue to have a healthy rural community and the proper level of public services that it deserves," Peter Giffard, president of the CLA said at the presentation ceremony.

THESE IS NO shortage of forthcoming dates for the professional conference delegate. An ambitious survey of

Persistence pays off for Sarum Farms

IF IT'S any comfort to Mike Moore and Barry Buckle (see other article) persistence can certainly pay if you're fighting a local authority.

That at any rate is the encouraging lesson to be drawn from Sarum Farms, a small Winchester-based company first featured on this page more than two years ago (March 2, 1982).

Readers may recall that Michael and Leila Dodson—Sarum's husband and wife

owner managers—were fighting at the time to continue assembling and storing their range of timber mats and temporary roadways at a rural edge of the famous Hampshire town. In spite of a Department of the Environment Circular 22/88 in 1980 urging councils to take a lenient attitude towards small businesses like Sarum Farms which had set up in contravention of existing regulations, Winchester City Council had repeatedly turned down their

application for planning permission.

After a seven year campaign, Sarum eventually won the crucial battle in March 1983 when the Secretary of State overruled the council on appeal.

Although Sarum's neighbours may not necessarily agree—the long running dispute hinged primarily on the number of Sarum's heavy lorries using the nearby lanes—at least the 18 people who work for Sarum will be grateful for its survival.

Indeed, Dodson has recently preserved a further 23 jobs by taking over a Devon manufacturer of laminated wooden beams which was in receivership at the time.

Sales of the newly enlarged group are running at an annualised £11-£22m thanks to recent orders, which include supplying beach landing roads to, respectively, Fairclough Construction and a Laing/Mowlem/Amy Roadstone consortium for use in Ascension Island and the Falklands, as

well as helicopter landing pads for British Airways and Bristol Helicopters. In view of the current pressure for a more small firms-orientated public sector purchasing policy, it is interesting to note that in spite of repeated efforts Sarum has made no headway in getting orders from the Ministry of Defence.

Dodson's most satisfying sale, however, was a timber bridge for a client much closer to home. None other, in fact, than Winchester City Council.

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

EIU The Economist Intelligence Unit. EIU Special Report No. 162

Financial Modelling with a Microcomputer: Software Choice and Hardware Selection

This report sets out criteria to be considered when selecting hardware and software for financial modelling exercises, outlines various modelling routines and gives worked examples of different types of model.

Price £45. Payment with order please to The Economist Intelligence Unit Limited, Subscription Department (FT), 27 St. James's Place, London SW1A 1NT. Telephone: 01-493 6711

A Direct Dial Telephone with executive service!

Immediate demonstration and free advice available. Includes on-the-spot advice and fast, efficient installation by London's leading telephone specialists. Contact us direct for the latest information on car telephones.

In Car Telephones

144 Gloucester Place, LONDON NW1. Tel: 01-580 2203. Northern Office: 0472-824822

SAUDI ARABIA

Book of how to do business in Saudi Arabia and other Arab countries. Sand. U.S.\$10.95
N. AL SHAMALI EST.
P.O. Box 8280
Jeddah - Saudi Arabia 21402
Distributors welcome

uPVC WINDOWS—THE GOOD NEWS

(1) The uPVC window market is growing at a staggering 25% each year in the UK.
(2) By 1990 a total market of 2½ million uPVC window frames is predicted.

(3) The greatest growth is seen in the architect/specifier market and local authorities.

AND NOW THE BAD NEWS

The growth in uPVC will be at the expense of steel, aluminium and timber. If you are at present manufacturing frames from these materials be prepared for a decline in your existing market. Better still, why not anticipate the trend and consider how you can take advantage of the growing demand for uPVC?

HOW TO SUCCEED IN uPVC

The growth in the uPVC market will favour companies that are set up to produce large batches of good quality frames economically, that have an established track record and above all, a tried and tested product marketed properly.

By contrast, most existing fabricators are small, under-funded, with high cost, low quality production. They struggle in small territories without proper marketing support and many face failure from the outset.

We believe that to succeed at manufacturing and marketing uPVC windows a company must:

(1) Be financially sound and capable of investing £100,000 in the right equipment.
(2) Be easily able to access a market for at least 200 frames per week.

If this describes your company and you wish to succeed in uPVC window fabrication, we have the very best system to offer:—A proven, well designed product range, extruded from materials of impeccable quality, with excellent training and technical back-up, effective marketing support and large exclusive territories.

In the first instance, principals only are invited to write to:

Box F4942, Financial Times, 10 Cannon Street, London EC4P 4BY

THE CITY'S LEADING REGISTRAR OF CORPORATE BIRTHS, RE-BIRTHS AND MARRIAGES.

Among its many merchant banking services, Singer & Friedlander has for many years operated a Company Register for those who want to buy a company, sell one or merge with suitable partners.

The Register is, of course, entirely confidential. Its fees, on a graduated scale, are payable only on completion of a successful transaction. Its use in no way obliges a client to appoint the Bank as financial adviser. Nor need any existing professional relationship be affected.

The Singer & Friedlander Company Register, historically a product of the Bank's extensive contacts and network of provincial

offices, is perfectly placed to help you make the best possible match.

To contact us, write to Panton Corbett or Tim Deacon at Singer & Friedlander Limited, 21 New Street, Bishopsgate, London EC2M 4HR.

For immediate service Ring

01-623 3000



SINGER & FRIEDLANDER

INSTANT OFFICES

*NO AGENTS — MIDDLEMAN
*NO REFERENCES
*NO COMMISSIONS
*ALL SERVICES
100-10,000 sq.ft.
at cheapest rates in central London.
(Adj Albert Embankment).
SIGN UP IN 30 MINS

SOUTH BANK HOUSE
735 7252
CITY AND KINGS CROSS
236 8473

The well established highly profitable company-owned business of £100,000-£600,000 is required. Also six vacant properties are available in Nottingham, Leicester, Humber, East Sussex and Kent, requiring a total investment of only £20,000 each. Two-thirds finance can be arranged through National Westminster, Barclays and Lloyds banks.

Contact:
Lind Road, Sutton, Surrey SM1 4PJ - Tel: 01-642 0054
Managing Director, Global House

Franchises

GLOBAL CLEANING CONTRACTS

Find out more by calling Peter Craft on 01-965 0181, Spud U Like Ltd., 34 Standard Road, London NW10

FRANCHISE AVAILABLE FROM SPUD U LIKE

With over 50 outlets now open and planned, SPUD U LIKE restaurants are growing fast and right now there are opportunities for people to join the franchise and share in our success. If you have around £15,000, attractive finance schemes are available that would enable you to open a franchised unit, benefit from training, central purchasing and constant support, and enjoy the rewards and satisfaction of running your own business.

Find out more by calling Peter Craft on 01-965 0181, Spud U Like Ltd., 34 Standard Road, London NW10



Cranfield

Making a success out of career change or promotion

Change and development is a natural part of a successful career. But whether it's promotion or a new job function to manage, successful change demands a greater level of competence, the acquisition of new skills and possibly a completely different style of management.

A Cranfield School of Management research team discovered that all managers who undergo substantial job change suffer transition problems. We went on to develop a unique programme which virtually eliminates promotional paralysis' and reduces the time needed to reach competence by about six months.

Managing Change Successfully is a seven-day intensive programme designed

To Mr Chris Parker, Course Tutor, Cranfield School of Management, Bedford, MK43 0AL Tel: 0234 751122, Ref: 626559. Please send further details on the programme Managing

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

GERMAN CREDIT BANK

successfully operating for more than 20 years

offers participation

to substantial Finance Group or Bank planning to realize their own intentions in banking business throughout Germany.

A capital of approx. £3,000,000 should be available.

Write Box F5022, Financial Times
10 Cannon Street, London EC4P 4BY

REB ROVERS MOTORISTS ASSOCIATION

A Nationwide Motorists Breakdown Service in its 12th year of operation. Owned by an expanding number of 24 hour recovery services the Association seeks a capital investment of £500,000. The proposal would suit a substantial organisation in a related service, e.g. Motor Insurer, Petrol Company, Tyre Firm, etc. There are excellent prospects for growth and profits and there is a sound management team.

Principals only should contact:
M. S. Clarke
Red Rovers Motorists Association
55-57 Albert Street, Rugby - Tel: 0788 74391

POTENTIAL U.S.M OPPORTUNITY WITH READYMADE GROUP

Entrepreneur with relatively undercapitalised young group of companies aiming towards U.S.M in two to three years. Interests in publishing - industrial/corporate video production and post-production - pharmaceutical industry service company. Current projected total annual turnover minimum £2.2m. Projected annual profit minimum £500K. Current tax losses £500K. Seeks injection of capital (£750K) and business management/accounting expertise in return for profit/equity participation. This is a ready made group operating in potentially highly profitable areas and capable of very significant growth and profitability with the appropriate financial and management backing.

Please write Box F5024, Financial Times,
10 Cannon Street, London EC4P 4BY

UNIQUE EQUITY OPPORTUNITY

Import equity interest in 3 year old U.S. company available. Approximately U.S.\$900,000 additional capital required to expand operations internationally. First phase operating successfully. Loan to the retailer plus equity that will be repaid in full with interest on an annual basis and annual loan many times over. Important board position available. Excellent opportunity for investment company. Reply to:

UNIQUE OPPORTUNITY
Box 57-1055 Tri-service Batteaux SA, 4 Place du Cirque, CH-1284 Geneva

CONVERT RESIDUAL STOCK INTO CASH

British Trade Auctions conduct fortnightly auctions of surplus and excess consumer and trade stocks to trade buyers including whole-sellers, mail order and direct to consumers with or without reserve realising true value with no risk to the vendor. All stock is sold direct to customers confidence with all stock fully insured and guaranteed immediate payment. For further information on how to capitalise on unwanted stock, PHONE HARVEY CHIRIN on 021-529 7681.

BRITISH TRADE AUCTIONS
Tipton, West Midlands

We are looking for a vast ORGANIZATION experienced in FOOD BUSINESS

for sale and distribution of prepared, original French menus which last without refrigeration up to 3 years.
MICHEL MENU A.G.
Berna: 27 CH-3052 Zollikofen
Switzerland

FREEHOLD FACTORY CENTRE SITUATED IN THE WEST MIDLANDS

With 48 units built up, all with leases from £20,000 per annum plus service charge. Price £400,000. Available if required a £200,000 mortgage. Write Box F5030, Financial Times, 10 Cannon Street, London EC4P 4BY

WANTED

Semi-Executive Chairman for Investment Management Company. A dynamic team of investment professionals need the benefit of a chairman with a clear vision. An intuitive understanding of money is really the only essential requirement. Reply to: Mr. G. J. H. Smith, Box F5033, Financial Times, 10 Cannon Street, London EC4P 4BY

CASH SHELL

Financial Trust with net cash assets of £200,000, 400 shareholders and large undrawn overdraft facility of £200,000. Available for acquisition or merger with private company leading to S.M. or listed status. Reply to: Mr. G. J. H. Smith, Box F5033, Financial Times, 10 Cannon Street, London EC4P 4BY

FOR SALE TWO FREEHOLD HOLIDAY COMPLEXES

sited South East Coast with all usual facilities plus rents in excess of £300,000 per annum. Reply to: Mr. G. J. H. Smith, Box F5033, Financial Times, 10 Cannon Street, London EC4P 4BY

FINANCIAL CONTROLLER/DIRECTOR FCMA

Aged 32, specialist on part time or contract basis in London or N. Home Counties. Broad experience with financial institutions, insurance, manufacturing, micro computers and lease finance. Ring 0707 52658 for details.

VENTURE CAPITAL—U.S.A.

2-year-old fast-growing women's apparel company seeking working capital for a potential growth of \$100 million. Call: 1-817-745-5723. Women's Apparel, P.O. Box 385, Marblehead, MA 01945, USA

A MAJOR BRITISH COMPUTER SERVICES COMPANY

providing IBM based software and systems development, consulting, travel and leisure industry, seeks experienced accountants to support our growing client base. Reply to writing to Box F5043, Financial Times, 10 Cannon Street, London EC4P 4BY

AIRLINE OPPORTUNITY IN THE CARIBBEAN

Fully licensed operator of scheduled cargo services between the U.S. and the Eastern Caribbean and also inter island needs \$150,000 additional capital for expansion particularly combining with suitably qualified full or part time management involvement at Board level. The volume of freight carried was 2.0m lbs in 1983 and will exceed 2.5m lbs in 1984. The Company is solvent, trading at break even or better and budgeting a profit this year. There is minimal bank debt. The four present owners do not wish to disinvest but have other business pre-occupations which prevent them giving the operationally first class Managing Director the support he needs.

Detailed financial and other information will be provided to bona fide enquirers by Director at present in the UK

Reply to:
4 Wellington Square, South Brent, Devon

P. F. COLLIER, INC.

A Subsidiary of Macmillan, Inc.

One of the world's leading publishers is looking for a local distributor for its outstanding English language reference works:

24 Volume Collier's Encyclopedia

20 Volume Merit Students Encyclopedia

Pre-school and children's books also available for direct sales packages.

Interested parties should write
P. F. Collier, Inc., 866 Third Avenue,
New York, New York 10022, U.S.A.
Att: H. J. Quina

LEISURE CENTRE

An entrepreneur with related experience, is interested in setting up a new Leisure Centre in a fairly secure catchment area of London. Detailed proposals have been prepared and all necessary licences and approvals have been obtained. Complete development and set up costs are estimated to be in the region of £275 million. At present offers of financing packages of equity and loans are invited from interested parties.

For further information please write to Box F5045

Financial Times, 10 Cannon Street, London EC4P 4BY

ACQUISITION AND REFINANCING

We wish to acquire in part or entirely companies which are loss making but have growth potential. We are also able to assist in refinancing existing companies. We are particularly interested in amalgamating with Management Buy-Outs and similar transactions. The most complicated situations can be handled, professionally and in confidence.

Contact Tony Lascalle immediately at:

CAPITAL HOLDINGS (MAYFAIR) LIMITED

65 Duke Street, Mayfair, London W1M 5OH - Tel: 01-408 1234

EXPORT TO JAPAN?

With the right help you could succeed! Energetic Japanese Importers and our Liaison Office Service to European companies are reasonably cost. Can advise on how to market your products, provide contacts, locate best marketing channels and assist with regulations. When you visit Japan, our full itinerary will assist in making your stay a success. We offer a wide range of services including airfares and accommodation.

For more information contact: Edwin G. Fisher Associates, Vine Court, Millford, Godalming, Surrey, England GU8 5JH. Tel: (0488) 7385

RICH REWARDS for equity funding

Company with patented product for quality control wishes to convert existing enquiries valued well over £1m. Industrial or institutional backing sought.

Write Box F5046, Financial Times, 10 Cannon Street, London EC4P 4BY

SAND CLEANING/DRYING

Machined Manufacture. Receiving Orders - Inverters, Man. & Machine manufacturers for machines to do the job.

To clean, purify and dry sand for reuse in glass, ceramics, foundries, etc. The basic principle is clear. The basic principle is clear. The basic principle is clear.

Please send your offers to Box F5040, Financial Times, 10 Cannon Street, London EC4P 4BY.

High Tax Payer?

HAVE YOU CONSIDERED AN EXECUTIVE AIRCRAFT? With up to 100% capital allowances and guaranteed income from your chartered division

HARLAM AVIATION LTD, Leafield Airport, Watford, Herts

HOLIDAY TOUR OPERATOR

In third year of operation would like to talk to parties looking to move into the travel business. Write Box F5038, Financial Times, 10 Cannon Street, London, EC4P 4BY.

ATTENTION MANUFACTURERS! SURPLUS GOOD!

Let us put you in touch with your surplus inventories, your overstocks, components and raw materials. We can offer you small quantities to be presented to you or help you to sell your surplus for more information contact International Products Exchange, 1000 11 Kensington High Street, Tel: 01-587 3585.

Write Box 22861 (MET MARK)

FULLY CHARTED PLC HAS SUBSTANTIAL FUNDS FOR THE PURCHASE OF

• Financial Services
• Specialist Manufacturing
• Retail
• Financial Services
• Retail Shop Chains (Franchise)

Opportunity for Owners to partially/partake in the success of the company for expansion. All replies treated in strict confidence. Write Box F5039, Financial Times, 10 Cannon Street, London EC4P 4BY.

LOOKING FOR ACQUISITIONS?

Over 450 opportunities to acquire going concerns or business assets were available last year. Cost £45 p.a.

Free sample and introductory offer from:

The Insolvency Surgeons
2 The Met, Bristol, Tel: 0272 737222

MANUFACTURING ENGINEERS

With well established and clearly defined products covering almost a wide spectrum but mainly into the food processing industry, protein, flour, sugar, etc. Full order book with excellent potential.

Write Box F5002, Financial Times, 10 Cannon Street, EC4P 4BY

SPECIALIST FINANCE

If you have a regular flow of business, and are in difficulty with your HP, Leasing or Bank Finance let us see if we can provide the finance!!

Write Box F5037, Financial Times, 10 Cannon Street, London EC4P 4BY

NEW INVESTMENT OPPORTUNITY

We seek to invest in selected equity funds including tax efficient Business Expansion Schemes and other institutional Investors

wishing to join our New Register and receive a free copy of our Investment Details sheet contact:

David Butler, Securities Limited
(Licensed Dealer in Securities)
18 Queen St, Mayfair, London W1V 8JN
Tel: 01-631 3001.

Joint Receiver and Manager

Ernst & Whinney

Lowry House, 17 Marble Street

Manchester M2 3AW

Telephone: 061 832 5754

Telex: 668202

For full details contact:

John Warren

Joint Receiver and Manager

Ernst & Whinney

Lowry House, 17 Marble Street

Manchester M2 3AW

Telephone: 061 832 5754

Telex: 668202

Ernst & Whinney

Jeff in 150

Business Services

Before you are TURNED DOWN BY YOUR BANK

Contact us on 01-629 7363

Highly qualified bankers and financial consultants capable of structuring and organising your financial requirements. We can negotiate with major institutions to secure quick decisions on all types of lending.

Minimum loans £20,000.

Specialist financial packages of £100,000. Broker fees only paid when facilities are agreed.

Birling Finance Brokers

18 Queen St, Mayfair, London W1V 8JN

PensGiftsPens[®]

* Advertising Pens & Cards

* Promotional Pens & Giveaways

* Souvenir Pens & Gifts

* Novelty Pens & Gifts

* Luxury Pens & Gifts

Ask for colour catalogues

01-346 8421 (ext 8422) Fax 01-346 8423

EMCO THE PENS PEOPLE

22 Hendon Lane, Finchley N3 1TT

Success is having a better idea

Hundreds of proven business ideas, marketing hints, novel opportunities, introducing new products, detailing in a new business magazine. All the facts, figures, addresses and advice are there for you.

Free info:

New Business, F5029, 21 Wren St, London WC1

URGENT FREIGHT BY AIR

UP TO 1.500 KILOS direct to your destination

Ring 01-580 8400

OSLENGREST AIRCRAFT CHARTER

01-681 8821

FT COMMERCIAL LAW REPORTS

From today your time will cost you even more money



British Telecom have changed international tariffs, so it's more important than ever for businesses to identify precisely how their telephone bills are made up.

Unless you have Callog, your call-logging system needs updating today. Which means your staff must spend valuable time adjusting your information service.

Callog is different. All BT alterations are already implemented into our system. Callog clients can continue to use the service without costly interruption, saving time and money.



THE TELEPHONE CALL-LOGGING COMPANY

Callog Limited, 12 Elizabeth Street, London SW1W 9RB. Tel: 01-730 9056
British technology and know-how helping British business.

*Approved for use with Telecommunications systems in accordance with the conditions in the instructions for use.

It's just one of the reasons why Callog Ltd is the UK leader in call-logging information.

There are many others: Callog can be used with almost any switchboard; the management

information service is totally cost effective for budgetary control and telephone cost management.

Callog improves staff use of your telephone, achieving greater efficiency and actual reductions in your telephone costs.

Our service can save you time and money.

Phone Mike Smith on 01-730 9056 today.

Callog saves you both



Arbitration clause protects insurance club

SONONY MOBIL OIL CO INC AND OTHERS v WEST OF ENGLAND SHIOPWNERS MUTUAL INSURANCE ASSOCIATION (LONDON) LTD
Queen's Bench Division (Commercial Court): Mr Justice Leggett May 22 1984

WHERE A company is wound up so that its rights against its insurer are statutorily transferred to a person to whom it owes damages, the insurer will be protected from legal proceedings brought against it by that person in respect of the damages, if the insurance contract provided that the parties should not litigate without first going to arbitration and they failed to do so.

Mr Justice Leggett so held when giving judgment for the defendant, the West of England Shipowners' Mutual Insurance Association, (London) Ltd ("the club") in a claim by cargo owners, Socony Mobil Oil Co Inc, Mobil Oil Co Ltd and Mobil Oil AG, for damage to their cargo carried on the Padre Island, a ship owned by a company insured with the club.

Section 1 (1) of the Third Parties (Rights Against Insurers) Act 1930 provides: "Where . . . a person . . . is insured against liability . . . to the parties . . . then . . . (b) the rights of the insured belong to a company, in the event of a winding up order being made . . . if . . . any . . . liability . . . is incurred by the insured, his rights against the insurer . . . shall . . . be transferred to and vest in the third party . . ."

HIS LORDSHIP said that in April 1978 the cargo owners were awarded \$238,315 by a U.S. judgment against the insured company, in respect of damage to cargo carried on its vessel.

The company was entered with the club for P & I [protection and indemnity] risks. In April 1982 it was wound up. The judgment awarded in the U.S. proceedings had not been paid. The cargo owners therefore claimed against the club.

In its defence the club relied on the arbitration clause in rule 25 of its Rules as a bar to the action. Rule 25 contained a Scott v Avery provision that "no member shall be entitled to maintain any action . . . unless and until the difference or dispute . . . shall have been referred to arbitration."

The club's case was that the Scott v Avery clause rendered the obtaining of an arbitration

award a condition precedent to recovery. Mr Robison, for the club, submitted that the Third Parties (Rights Against Insurers) Act 1930 put the third party into the shoes of the insured as against the insurer, with the result that it acquired rights subject to the same obligation and limitations as would be applied to the insured.

He cited Post Office v Norwich Union [1967] 208 363. There Lord Denning MR said: "The injured person steps into the shoes of the wrongdoer. At page 376 Lord Justice Harman said: "You cannot assign to somebody part of the rights under the contract without assigning to him the condition subject to which those rights exist . . . You cannot pick out one bit—pick out the plums and leave the duff behind."

Mr Robison emphasised that in no case had a third party been entitled to bring an action in circumstances where the insured could not have done so.

Mr Rix, for the cargo owners, argued that rule 25, on its true construction, did not apply to third parties but only to members and their elected agents. He said that the claim of a third party under the Act was not the same as the insured's claim because the third party's cause of action was not complete until vesting occurred on winding up and because time ran only from the vesting.

Under the Act third parties enjoyed the rights of a member. They were treated as though they were members. When the Act applied a dispute became a dispute between a third party and an insurer. The rights enjoyed by the third party and the insured respectively were essentially the same.

The Act transferred the insured company's contractual rights, not the claim, to the cargo owners. Those contractual rights were subject to the arbitration clause, including its Scott v Avery provision.

The question therefore was whether there was anything in the contract between the original parties or in the Act, which prevented the arbitration clause or the Scott v Avery provision from applying to the claim against the club.

In Post Office v Norwich Union there was reference to the third party stepping into the shoes of the insured, and to the third party not being entitled to have the plums without the duff. Those references conveniently deleted two points of principle. First there could be trans-

ferred to the third party no more than the rights formerly vested in the insured. Secondly, the rights which were transferred to the third party were subject to the same incidents as when vested in the insured.

If the company had not been wound up, the arbitration clause would have been applicable and the Scott v Avery provision would have provided recourse to action before reference to arbitration. The effect of transferring the company's contractual rights to the cargo owners was therefore determined by the Act and not by agreement.

The arbitration clause must be read, for present purposes, as though references to the cargo owners were substituted for references to "members". Although the clause contemplated a disputed claim made by a member, such a claim, once it had arisen, vested in the cargo owners following the winding up. Unless therefore, the cargo owners could succeed in their alternative arguments, the club could not invoke the Scott v Avery provision.

Mr Rix argued that the court had power to prevent the operation of the Scott v Avery clause under section 25(4) of the Arbitration Act 1950, and that it

ought to exercise that power. The section provided that the court, "if it orders . . . that the agreement shall cease to have effect as regards any particular dispute, may further order that the provision of making an award a condition precedent to the bringing of an action shall also cease to have effect as regards that dispute."

Mr Robison rightly contended that, as a matter of construction, the court had no such discretion, having regard to the words "if it orders that the agreement shall cease to have effect".

Even if the court had such power, which it did not, there was no reason why it should exercise it in view of the operation of the Scott v Avery provision. No reason had been shown why effect should not be given to it.

Judgment for the club.

For the cargo owners: Bernard Rice QC and Richard Wood (Allen & Overy).

For the club: Kenneth Robison QC and Richard Jacobs (Holman Fenwick & Williams).

By Rachel Davies
Barrister

Company Search Service 01-236 9502

Stop wasting valuable time waiting for files at Companies House.

Call Annice Smith to order your Company Reports.

Charges quoted below include paper copies of Documents (in respect of length of Report) and postage within the UK.

LATEST ACCOUNTS from £8.50 + VAT

LATEST ACCOUNTS AND ANNUAL RETURN £10.00 + VAT

FULL SEARCH £15.00 + VAT

as above + Certificate of Incorporation

+ Name Changes

+ Memorandum of Assoc. (1st page)

+ Mortgages etc.

MICROFICHE ONLY £5.50 + VAT

(includes all documents filed)

To order your reports simply call Annice Smith on 01-236 9502 or Telex No. 8911506.

N.B. Companies registered in Scotland take 2-3 days.



The Financial Times Business Information Limited. Registered in England Number 22287
Registered Office: Staines House, 16 Carlton Street, London EC2Y 8BT

Businesses for Sale

LABORATORY CHEMICAL MANUFACTURER AND DISTRIBUTION

The assets and goodwill of this Suffolk based business, well established in leasehold premises, are offered for sale. Budgeted turnover £750,000 p.a. (export £120,000).

The company, with 22 employees, manufacturers a wide range of inorganic chemicals and has a distribution network throughout the U.K.

Further information from The Receiver, Robert Buller, Churchgate House 35 Churchgate Street, Bury St Edmunds IP33 1RD. Telephone: 0284 701271. Telex: 826340.

Thornton Baker

PARK SECTIONAL INSULATING COMPANY LIMITED

Offers are invited for the assets and goodwill of the above company which manufactures chimneys for domestic and industrial use. It is situated at Forest Gate, London E7 and Barking, Essex and has about 35 employees.

The assets comprise freehold and leasehold premises, plant and machinery, fixtures and fittings, office equipment, stock and work in progress and motor vehicles.

For further information please contact The Receiver, Ipc Jacob, Fairfax House, Fulwood Place, London WC1V 6DW. Telephone: 01-405 8422. Telex: 28984.

Thornton Baker

Retail Cosmetics and Toiletries

Our client wishes to dispose of its interest in a company consisting of a chain of six shops occupying prime sites in the Chelmsford area, and a warehouse with integral offices. The product range consists of quality cosmetics and fragrances (with agency agreements from the major manufacturers), toiletries and greeting cards.

Annual turnover is approximately £2m.

For further details please write to:
Coopers & Lybrand
Associates Ltd.
St. James's House,
Charlotte Street,
Manchester M1 4DZ.
Quoting Ref. 113/233.

FOR SALE

SOFT DRINKS FACTORY IN NORTH-WEST
We now wish to dispose of our soft drinks factory (approx. 29,000 sq. ft.), bottling plant and machinery. All are nearly new and available to substantial purchasers. Conveniently situated to the motorway network.

Replies from Principals only to Box G9524
Financial Times, 10 Cannon Street, London EC4P 4BY

CAMBRIDGE SUPERB PLANT DEPOT

FREEHOLD FOR SALE

8 ACRES

New 3 storey Office Block — 15,000 sq ft.
New Maintenance Workshops — 20,000 sq ft.
New Stores — 16,750 sq ft.

Extensive concrete Yard Area.
Suitable for Builders Yard, Plant Depot,
Redevelopment, etc.

Construction Plant and Vehicles also available.

Ref. RAB/NJGH

Grimley & son
021-236 8236 PAI
St. Philip's Place Birmingham B3 2QC
London, Manchester, Brussels

FOR SALE BUSINESS HOUSE/RETAIL TRAVEL COMPANY

IATA/ABTA — SOUTH-WEST LONDON

£2.8m p.a. turnover — Price £200,000

High Street IATA/ABTA Locations with modern technology

For Sale with/without senior management

Write Box G9933, Financial Times
10 Cannon Street, London EC4P 4BY

WELL-ESTABLISHED SMALL PRESSWORK COMPANY FOR SALE

Well placed for MS/MS. This company has a good base of customers for its services and is well positioned for expansion from a turnover level of £200,000. Modern premises, well equipped and conveniently laid out, are at present leased but could be purchased in the future.

For further details (principals only) apply Box G922
Financial Times, 10 Cannon Street, London EC4P 4BY

EXPANDING VIDEO LIBRARY FRANCHISE FOR SALE

T/0 £15,000-220,000 p.a.
Excellent Profits
1500 times on three locations

OFFERS INVITED

Weatherall Hollis & Gale
10 Cannon Street, London EC4P 4BY
0532-442066

LEISURE INDUSTRY

North Wales

Brilliant idea in specialist market with large potential customer needs. Large injection of capital.

Owners willing to give up control.

JEM LEISURE AGENCIES LIMITED

The Property Arms
Hampton Street, Charles Cross,
Plymouth

Box G9822, Financial Times
10 Cannon Street, London EC4P 4BY.

POLYURETHANE FOAM Processing Business

ANNUAL TURNOVER £1/3 million

Write Box G9926, Financial Times
10 Cannon Street, London EC4P 4BY

FOR SALE NORTH WEST TRAVEL AGENCY

ANNUAL TURNOVER IN EXCESS OF £1,000,000

PRICE £100,000

For further details apply:
J. C. ALLEN & CO.

ST. JAMES BUILDING, 70 OXFORD STREET, MANCHESTER M1 6HT

KITCHEN BUSINESS

Expanding kitchen design and fitting company operating from two prime sites in the South East.

Turnover approx. £250,000.

Full order book approx. £100,000.

Established and self-financed.

For sale due to Principe's other commitments.

Offer £100,000.

Write Box G9816, Financial Times
10 Cannon Street, London EC4P 4BY.

PADDLE STEAMER MOORED CENTRAL LONDON close Charing Cross and Westminster

The TATTERSHALL CASTLE

Turnover approaching £600,000. Over 1,100 beer barrels plus nearly 3,000 gallons of wine and spirits. Open air bar. 2 enclosed bars. Buffet. Excellent kitchens.

To be sold by Tender (price guide in the region of £

Denmark returns to
Euromarket for
\$100m more, Page 38

SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Tuesday July 17 1984

NEW YORK STOCK EXCHANGE 28-30
AMERICAN STOCK EXCHANGE 29-30
U.S. OVER-THE-COUNTER 30, 38
WORLD STOCK MARKETS 30
LONDON STOCK EXCHANGE 31-33
UNIT TRUSTS 34-35
COMMODITIES 36 CURRENCIES 37
INTERNATIONAL CAPITAL MARKETS 38

200

WALL STREET

Fed review makes for restraint

THE GATHERING in Washington yesterday of the Federal Reserve Open Market Committee (FOMC) to conduct its regular review of the board's credit policies left Wall Street holding its breath, writes Terry Byland in New York.

Analysts held divided opinions, with most finally arguing that the Fed might leave policies unchanged - but give itself the option, by lifting its monitoring range for the federal funds rate, to tighten later in the year if inflation gathers pace.

The balance of opinion tilted at mid-morning when Dr Henry Kaufman, chief economist at Salomon Bros, warned clients not to be overimpressed by signs of slowing economic growth. "Higher inflation and interest rates still lie ahead," he said in his quarterly investment strategy report.

Meanwhile, worries over inflation prospects were rekindled by the announcement that growth in U.S. consumer credit, at peak rates in May, now stands at an annualised 30 per cent. There was little reaction, however, to the latest data on business inventories.

Selling in the stock market died away towards the close, and there was a technical rally in the blue chips. The Dow Jones industrial average, after falling by more than 6 points by 2.00pm, closed a net \$6 higher at 1,116.83. The broader market, however, made little recovery. Trading was moderate, with 74.1m shares turned over.

Both credit and stock markets weakened after Dr Kaufman's words of warning. Also discouraging both market sectors was a fresh rise in the federal funds rate.

The Fed helped with the announcement of overnight system repurchases when the funds reached 11% per cent, but the rate remained obstinately high, and money market rates edged up by three to five basis points. The bond market was half a point off at midday.

The stock market opened higher but support was very thin, and prices were soon dragged down by the weakness of the credit market. Institutional interest, as measured by the total of large blocks traded, was down by about a half. But there were indications of a selling programme which clipped prices for many leading stocks.

Among those under selling pressure was ITT, with a fresh dip of 5% bringing it down to \$22, close to the range of bid prospects, according to some analysts.

Special situations provided a number of active features. St Regis, still unsure of the motives of Mr Rupert Murdoch, dipped \$14 to \$40. Further consideration of recent trading figures took \$1 off United Telecom, at \$18.4.

There was a renewed spate of selling of Warner Communications, which fell \$1 to \$17½ after suggestions in the in-

vestment press that a dividend cut was a distinct possibility - as well as the exit of Mr Steven Ross, chairman and chief executive officer, who has been the driving force behind the company's strategies.

To the fore on the active list was Unocal, the former Union Oil of California, which has resumed the mantle of the market's favourite takeover hope. At \$36½, Unocal gained \$1½ on market belief - unsubstantiated by either company - that Standard Oil of Indiana may offer as much as \$52 a share for Unocal, which has substantial reserves of oil and natural gas.

Turnover in the credit sector was also subdued but rates began to edge higher as the session progressed. Three-month Treasury bill rates put on 9 basis points to 10.02 per cent, and six-month rates 10 basis points to 10.52 per cent.

Some early support for the longer end of the bond market soon faded. The key long bond of 2014, at 100½, was ½ off. This sector still has to dispose of the latest tranche of 20-year bonds, which were left with the dealers after the recent auction by the Treasury.

Such buying as was attracted to Frankfurt was light and mainly domestic in origin, and even that tapered off toward the close. The midsession daily calculation of the Commerzbank index, ahead 8.7 at 953.8, did not fully reflect the latest caution.

Banks remained under some pressure amid the reluctance of the West German authorities to lift official interest rates in line with world trends. Deutsche Bank managed a DM 1 rise to DM 328 but Dresdner slipped 80 pfg to DM 147.0.

The expected resumption of support for vehicle issues, severely eroded during the engineering workers strike campaign, failed to gain any further momentum. VW shed DM 1 to DM 172 and Daimler-Benz DM 5 to DM 525.

In an otherwise dull engineering sector, KHD put on DM 2.80 to DM 223.80, while firmest among the chemicals were Hoechst, DM 1.20 ahead at DM 161.50, and Degussa, DM 4 higher at DM 357.

A quiet domestic bond market showed gains of up to 30 basis points, enabling the Bundesbank to offload DM 18.8m in paper.

The tax cuts heralded at the weekend by President François Mitterrand aided a firmer Paris result, but buying was held back by a ½ point jump in call money to 12% per cent - attributed to the drain on liquidity brought about by the flotation of a new state loan.

Gains in the food and beverage sector were led by Pernod Ricard, up FF 17 to FF 784, while a strong automotive side had Peugeot FF 6.30 better at FF 187 and tyre maker Michelin up FF 15 to FF 764.

Elsewhere, British Aerospace dipped 17p to 310p as it announced that it had decided not to continue merger talks with GEC, which added 2p to 182p.

Government stocks drew encouragement from last week's sustained upturn in U.S. bonds and from sterling's more settled performance.

Long-dated stocks closed around ½ below their best but still recorded gains of up to ½ on the day, while shorts were also marginally ahead.

Chief price changes, Page 30; Details, Page 31; Share information service, Pages 32-33.

LONDON

Downward drift arrested

SIGNS of resistance to the recent downward trend were seen in London equity markets yesterday, the first day of a new trading account.

After an easier start, shares rallied as it became known that dockers and port employers had accepted an invitation to meet arbitrators in an effort to resolve their dispute.

The FT Industrial Ordinary index, which was down 4.7 at the first calculation, ended the day 4.3 higher at 775.0 with the market drawing further strength from the relatively quiet but steady performance of sterling.

Consumer shares which were under pressure last week took a modest turn for the better.

Elsewhere, British Aerospace dipped 17p to 310p as it announced that it had decided not to continue merger talks with GEC, which added 2p to 182p.

Government stocks drew encouragement from last week's sustained upturn in U.S. bonds and from sterling's more settled performance.

Long-dated stocks closed around ½ below their best but still recorded gains of up to ½ on the day, while shorts were also marginally ahead.

Chief price changes, Page 30; Details, Page 31; Share information service, Pages 32-33.

AUSTRALIA

IMPROVED world bullion prices underpinned a rally in Sydney where the All Ordinaries index added 7.9 to 876.90.

Gains were also seen among base metal miners as a result of higher copper and silver prices. BHP led the rally with a 20-cent gain to \$59.50, while CSR added 6 cents to \$31.18.

Elsewhere among miners, GMK and Poseidon each rose 20 cents to \$37.00 and \$33.30 respectively. Bougainville 6 cents to \$31.73, and Western Mining 2 cents to \$33.02.

In the energy sector, interest centred on Oil Company of Australia (OCA), a small exploration company, as Boral launched an offer for the shares it does not already own.

OCA partly paid shares rose 26 cents to the offer price of 90 cents, while the options gained 28 cents to the offer price of 55 cents. Boral was unchanged at \$31.40.

SINGAPORE

SOME late profit-taking pared earlier gains in Singapore and the Straits Times industrial index added just 3.30 to 871.46.

Pan Electric continued its upward trend, advancing 10 cents to \$22.32 in heavy trading, which put it at the head of the actives list.

Meanwhile, Lee Kim Tab Holdings, a family controlled holding concern with interests in construction and property development, announced that it was going public with an initial offering of 20m shares of 50 cent par value priced at \$1.50 a share.

AUSTRALIA

THE OUTCOME for Johannesburg golds was higher but below the day's best as bullion values failed to hold all early gains.

Hartiebeest finished R2 better at R96, after touching R97, while Buffels was an exception with a 50-cent dip to R68.50. Of the mining houses Anglo-American ended unaltered at R22 after R22.35, but Genkor put on 50 cents to R25.50.

Prime rate pressures held industrials back. Barlow Rand, actively traded, eased 5 cents to R13.45.

CANADA

AN INITIALLY firmer Toronto tone gave way shortly after midsession, although gold issues remained a focus of strength. The energy and transport sectors were dull through much of the day.

Morning strength in Montreal was similarly eroded, with banks and industrials faring somewhat worse than utilities.

EUROPE

Low-key approach prevails

ACTIVITY on the European bourses yesterday remained low-key, and while some encouragement was drawn from Friday's firmer Wall Street finish, the prevailing mood of restraint did not allow for the persistent pressures of the dollar and U.S. interest rate levels to be overridden.

Some early support for the longer end of the bond market soon faded. The key long bond of 2014, at 100½, was ½ off. This sector still has to dispose of the latest tranche of 20-year bonds, which were left with the dealers after the recent auction by the Treasury.

Such buying as was attracted to Frankfurt was light and mainly domestic in origin, and even that tapered off toward the close. The midsession daily calculation of the Commerzbank index, ahead 8.7 at 953.8, did not fully reflect the latest caution.

Banks remained under some pressure amid the reluctance of the West German authorities to lift official interest rates in line with world trends. Deutsche Bank managed a DM 1 rise to DM 328 but Dresdner slipped 80 pfg to DM 147.0.

The expected resumption of support for vehicle issues, severely eroded during the engineering workers strike campaign, failed to gain any further momentum. VW shed DM 1 to DM 172 and Daimler-Benz DM 5 to DM 525.

In an otherwise dull engineering sector, KHD put on DM 2.80 to DM 223.80, while firmest among the chemicals were Hoechst, DM 1.20 ahead at DM 161.50, and Degussa, DM 4 higher at DM 357.

A quiet domestic bond market showed gains of up to 30 basis points, enabling the Bundesbank to offload DM 18.8m in paper.

The tax cuts heralded at the weekend by President François Mitterrand aided a firmer Paris result, but buying was held back by a ½ point jump in call money to 12% per cent - attributed to the drain on liquidity brought about by the flotation of a new state loan.

Gains in the food and beverage sector were led by Pernod Ricard, up FF 17 to FF 784, while a strong automotive side had Peugeot FF 6.30 better at FF 187 and tyre maker Michelin up FF 15 to FF 764.

Elsewhere, British Aerospace dipped 17p to 310p as it announced that it had decided not to continue merger talks with GEC, which added 2p to 182p.

Government stocks drew encouragement from last week's sustained upturn in U.S. bonds and from sterling's more settled performance.

Long-dated stocks closed around ½ below their best but still recorded gains of up to ½ on the day, while shorts were also marginally ahead.

Chief price changes, Page 30; Details, Page 31; Share information service, Pages 32-33.

session but achieved a late F1 1.50 jump to F1 148.50.

Unilever shed that amount at F1 251.30, while Royal Dutch firmed 50 cents to F1 199.70. ABN fared best of the major banks with a F1 3 gain at F1 304.

A featureless bond market managed gains of 10 basis points at most.

A firmer Zurich underdone was aided by good trading performances being reported by the chemicals companies. Sandoz put on SwFr 25 to SwFr 6,900, and Ciba-Geigy SwFr 15 to SwFr 2,170, while Hoffmann-La Roche added SwFr 50 to SwFr 9,300 ahead of its bullish projection for the year.

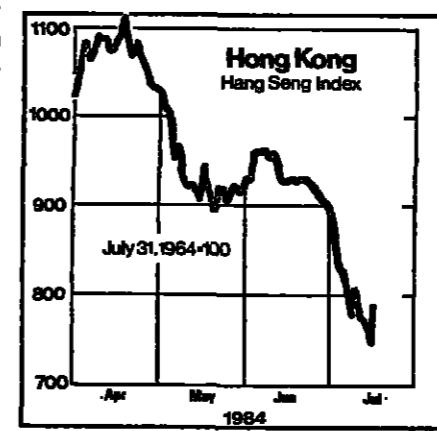
Bonds held steady.

A revival in Brussels buying interest was detected, bringing gains of BFr 60 to market leader Petrofina at BFr 6,660 and sharper BFr 220 boost in Vieille Montagne at BFr 4,070.

The start to the Stockholm trading week was quiet. To the fore in volume terms were Asea, Skr 5 ahead at Skr 345, and Ericsson, up Skr 1 to Skr 316. Electrolux, aiming to take over Zanussi of Italy, dipped Skr 1 to Skr 249.

The shipping sector held back an otherwise firm Copenhagen, while Oslo also improved: Norsk Hydro added Nkr 10 to Nkr 575, and Norsk Data Nkr 5 to Nkr 280.

Utilities led Madrid lower, with only the property sector holding up.



HONG KONG

THE UNEXPECTED weekend decision of Hong Kong's Association of Banks to hold interest rates at their current level provided the basis for a sharply higher move by the colony's stock market.

Comfort was also taken from the firmer local dollar and the commitment by Mr Richard Luce, the British Foreign Office Minister, that the UK would retain responsibility for the administration of the colony until 1997.

The Hang Seng index added 45.14 to 791.16 in modest turnover, which was indicative of short covering transactions by local investors.

In the property sector, Cheung Kong gained 70 cents to HK\$6.85, Hongkong Land 20 cents to HK\$4.60.

TOKYO

The margin proves a problem

BUYERS were attracted in Tokyo yesterday to stocks backed by particular incentives and to those able to be purchased with cash only. This led the Nikkei-Dow market average higher for the first time in four sessions, but transactions remained slow, writes Shigeo Nishizaki of *Jiji Press*.

The barometer of 225 select issues improved 23.48 to 10,177.58, on volume of 242,73m shares, up slightly from last Friday's 239,74m. Declines almost matched advances 323 to 321, with 198 issues unchanged.

Investors selected only speculatives and some cash issues, which are not affected by the growth in the buying balance on margin trading - standing at a record Y2,700bn.

A Daiwa Securities official cited investor concern at unfavourable factors in Japan and overseas, especially the uncertain outlook for U.S. interest rates. Also negative was the approach of dead-line for the settlement of issues bought on margin.

Securities company estimates put the settlement value of margin buying between January and March at Y190bn for August, Y570bn for September and Y700bn for October.

Selected in lacklustre trading were some non-ferrous metal stocks. Nippon Mining climbed Y18 to Y507 on the day's largest volume of 38,32m shares, accounting for 18 per cent of total turnover. Mitsubishi Metal rose Y13 to Y609 and Sumitomo Metal Mining Y10 to Y1,580.

Tohoku Metal Industries scored a maximum allowable daily gain of Y200 to Y1,340 on news of the development of static induction technology by the state-run Tohoku University, and Nichiban posted a parallel rise of Y100 to Y170.

Gains in small capital cash stocks included Toyo Denko, up Y90 to Y666; Mitsubishi Pharmaceutical, up Y170 to Y1,710; and Copal, up Y56 to Y839.

Blue chips were mixed, with Fuji gaining Y20 to Y1,570, while Matsushita Electric Industrial fell Y10 to Y1,580.

The bond market rallied, reflecting the firmness of U.S. bond prices at the end of last week and the yen's appreciation against the U.S. dollar in Tokyo yesterday, as well as the improved supply-demand position since the Bank of Japan purchased 10-year government bonds worth Y154bn earlier this month.

The yield on the barometer 7.5 per cent government bonds due in January 1993 declined 7.45 per cent from last Friday's 7.48 per cent.

</

Closing prices, July 16

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Kidder, Peabody Securities Limited

Market Makers in Euro-Securities

An affiliate of

Kidder, Peabody & Co. Incorporated

Founded 1865

Continued on Page 29

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, July 16

Continued on Page 3

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Southard - Page 26

These figures are unofficial. Yearly highs and lows reflect the price over the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounts to 25 percent or more, the price has been adjusted.

ent or more has been paid, the year's high-low range and are shown for the new stock only. Unless otherwise rates of dividends are annual disbursements based on

• Rates of dividends are annual disbursements based on latest declaration.

dividend also extra(s). b-annual rate of dividend plus dividend c-liquidating dividend, cld-called, d-new year

—dividend declared or paid in preceding 12 months; g—
d in Canadian funds, subject to 15% non-residence tax.

and declared after split-up or stock dividend. |-dividend this year, omitted, deferred, or no action taken at latest

Dividends declared or paid this year, an accrued issue with dividends in arrears. **N**-new issue in the

2 weeks. The high-low range begins with the start of the next-day delivery. P/E—price-earnings ratio, r—dividend

the New Day Survey, 1972-preliminary data. Unadjusted or paid in preceding 12 months, plus stock dividends, stock split. Dividends begins with date of split. SIS—sales.

paid in stock in preceding 12 months, estimated cash on ex-dividend or ex-distribution date. 4-new yearly high

ing halted vi-in bankruptcy or receivership or being m-
ised under the Bankruptcy Act, or securities assumed

com. wd-when distributed. wi-when issued. wr-warrants. x-ex-dividend or ex-rights. xdg-ex-distribution

Without warrants. y-ex-dividend and sales in full. yid-yid
es in full

[View all posts by admin](#) | [View all posts in category](#)

MARKET REPORT

RECENT ISSUES

Gilts better again and equity markets edge higher on dock strike settlement hopes

Account Dealing Dates

Option
First Declares Last Account Dealings 10am Dealing Day
June 18 June 28 June 29 July 3
July 2 July 12 July 13 July 23
July 16 July 26 Aug 6
** " " " " dealings may take place from 9.30 am two business days earlier.

London equity markets began to show signs of resisting the recent downward trend on the first day of the new trading account.

A rather gloomy weekend Press on the current labour problems and last week's moves to devalue money ensured a cautious start. As a result, most leading industrials were marked a few pence lower.

A subsequent rally, however, owed much to news that the dockers' union and Port Employers had accepted an invitation to meet industrial peace-makers at Acas today in a bid to settle the dispute. Potential investors were usually content to await a clearer lead, but a relatively quiet and steady performance was still attributed to the slightly better underlying tone.

Measuring the trend, the Financial Times Industrial Ordinary share index, down 47 at the first calculation, rallied to close 43 higher on the day at 775.0. A modest but welcome improvement after last week's reaction of 48.

Elsewhere, Consumer shares, which came under considerable selling pressure last week, took a modest turn for the better. Weekend Press tips met with a ready response, while the day's trading session was also enlivened by a fair amount of take-over speculation.

Although doubts about the future course of American interest rates persisted, Government stocks were encouraged by last week's sustained gains in U.S. bonds and the more settled showing of sterling in currency markets. Long-dated stocks closed an 1 or so below the best but still recorded fresh gains extending to 4, while the medium were usually 1 or dearer. Short-dated issues were also a fraction better and the Government securities index rallied further to 76.81, up 0.07.

Midland below best

Midland led the major clearers, closing 12 better at 330p, after 330p, following further consideration of the £150m acquisition of the 43 per cent minority interest in Crocker National, its troubled U.S. subsidiary; Midland start the interim dividend season on July 26. NatWest put on 7 at 380p and Barclays, 400p, and Lloyds, 425p, from 400p. Among foreign issues, Standard Chartered found support at 470p, up 7, while ANZ gained 10, to 253p. Elsewhere, Brown Shapley closed unaltered at 335p, after initially being marked down to 330p on news of the proposed £5.2m rights issue.

Sun Alliance stood out in Insurances, rising 11 to 358p in response to weekend Press com-

ment on its agreed 650p per share cash bid for Phoenix, 5 dearer at 625p.

Data Design Techniques, a company which provides maintenance for microcomputer systems, staged a successful debut in the Unlisted Securities Market; placed at 135p, the shares opened at 137p and moved above steadily to close at 145p. Among other recently-listed equities, Mayfair City Properties attracted support and rose 7 to 111p.

Most leading Buildings recovered from a cautious start to close a few pence dearer on the day. Redland finished 4 better at 227p and RMC a shade firmer at 334p. Among Contractors and Construction issues, AMEC improved 3 to 190p and Taylor Woodrow hardened a similar amount to 250p. Barratt Developments fell 2 to 180p helped by news that the Kuwait Investment Office had increased its stake to 6.1 per cent. Marchwiak attracted revised support and rose 4 to 185p, while SGB gained the same amount to 185p. The latter aided by favourable Press comment. On the takeover front, William Levy were spurred into a temporary lead at 128p on hopes that the William Levy Foundation may accept C. H. Beazer's 145p per share cash offer, but reacted on news of the Foundation's unwillingness to agree to the terms and the close was just 2 dearer at 120p. Old takeover favourite Istock Johnsons, which gained 10 to 250p, drew fresh support and rose 12 more to 262p. Elsewhere, Milbury moved up 8 to 88c in front of today's annual results.

Having dipped to a 1984 low of 260p initially, ICA rallied strongly during the morning session and touched 240p before drifting off again to close just 2 dearer on balance at 354p; the interim results are due on July 26. Among other Chemicals, Yorkshire found support and firms 4 to 43p, while Lanorte hardened a few pence to 280p. USM quirked R. H. Morley rose 4 to 30p.

Stores shrugged aside recent consumer spending fears and opened the new Account in mildly encouraging fashion, although dealers reported only limited demand. The provisional estimate of the Retail Sales index for June of 112.0—a 1.3 increase in the previous month—had no apparent effect on sentiment. The leaders closed below best levels but still retained modest rises. Burtons were relatively lively and touched 211p before settling a 20p gain at 210p, while Amico, 145p, and Totes, 140p, both rose 10p. Secondary Stores lacked a decided lead, MFI, 180p, and Dixons, 220p, added 2 pence; the preliminary results are due today and Thursday respectively.

FINANCIAL TIMES STOCK INDICES

	July 16	July 13	July 12	July 11	July 10	July 9	July 8	Year ago
Government Securities	76.81	76.74	76.42	76.55	76.47	77.23	80.52	
Fixed Interest	81.80	81.00	80.97	81.10	81.55	81.82	83.12	
Industrial Ord.	775.0	770.7	771.1	780.0	783.0	816.6	988.5	
Gold Mines	553.9	549.2	538.8	526.0	523.3	524.7	547.4	
Ord. Div. Yield	5.12	5.19	5.11	5.04	4.99	4.86	4.68	
Earnings, Vid & Fultn	11.88	11.86	11.88	11.71	11.58	11.54	9.51	
P/E Ratio (net) *t	11.10	10.12	10.12	10.38	10.60	10.38		
Total bargains (Excl. 19.547)	283.82	322.44	291.88	208.46	198.70	163.91		
Equity turnover £m.	17,692	16,800	15,708	14,803	15,737	16,069		
Shares traded (mln.)	167.9	171.9	175.1	115.7	102.7	108.6		

10 am 766.0, 11 am 761. Noon 772.1, 1 pm 772.5.
2 pm 772.5, 3 pm 773.1.

Basis 100 Govt. Secs 15/10/83. Fixed Int. 19/22. Industrial 1/7/35.

Lastest Index 01-346 0266.

*NH = 5.67.

HIGHS AND LOWS S.E. ACTIVITY

	1984	Since Compil'n	July 15	July 12
	High	Low	High	Low
Govt. Secs	85.77	76.42	127.4	49.48
Fixed Edged	105.00	103.00	105.00	103.00
Equities	114.6	105.8	115.7	103.1
Ord. Avg.	122.8	92.8	144	94
Gold Edged	164.4	158.0	164.4	158.0
Bargains	104.0	92.5	104.0	92.5
Value	525.6	497.4	525.6	497.4

Press comment lifted Body Shop International 10 to 190p, while revived speculative interest was evident for L. D. and S. Rivlin, 8p, and Samrie Clothes, 10p, the latter hand, reacted to small sellers in a narrow market and slumped 9 to 78p.

Shoes featured Strong and Fisher which advanced 7 to 115p, after 117p, following a newsletter investment recommendation.

STC advance

Standard Telephones and Electricals returned to prominence in Electricals, rising 8 to 308p following news that the group is on the verge of clinching a £100m export deal to supply submarine cable linking Australia, Indonesia and Singapore. Elsewhere, leaders moved higher with the general trend. BICC improved 3 to 243p as did Racal to 215p. Thorn EMI, however, remained an unsettled market after last week's fall of 25p, despite a strong profit report. Engineering leaders opened 2 to 31p, ahead of Thursday's preliminary results. Awaiting today's annual meeting, Pepler-Hattersley rose 6 to 238p. Improvements of 5 and 6 respectively were seen in Bromscombe Castings and Milling, 58p, and Spear and Jackson, 150p. A. Cohen added 7 to 430p xd on an investment recommendation.

The Food sector provided one of the new Account on a brighter note. Hawker featured with a rise of 15 at 412p, while GKN hardened a couple of pence to 160p and Vickers improved the turn to 180p. Elsewhere, Butterfield Harvey attracted buyers and firms 3 to 17p, while Davy Corporation added 2 to 31p, ahead of Thursday's preliminary results. Awaiting today's annual meeting, Pepler-Hattersley rose 6 to 238p. Improvements of 5 and 6 respectively were seen in Bromscombe Castings and Milling, 58p, and Spear and Jackson, 150p. A. Cohen added 7 to 430p xd on an investment recommendation.

The Food sector provided one of the day's best features in takeover favourite Rowtree Mackintosh which met with renewed speculative demand and advanced to 302p prior to closing at 290p. Ultramar continued its recent recovery and put on 10 to 245p. Britoil hardened 4 to 225p.

Applied Research, suppliers of house plants to Marks and Spencer, fell 3 to 7p following the expected profits shortfall and refinancing proposals.

Golds improve

Mining markets made a firm start on the new account following the latest announcement in the bullion price. The latter

touched a high of \$353.75 an ounce prior to closing a net \$8.75 to the good at \$351.51.

Gold shares, although still a quiet market, responded to Continental buying interest which easily offset early selling from Johannesburg. Prices edged higher throughout the session before closing a fraction below the day's best levels.

The Gold Mines index rose 7 more to 553.9, extending the gain over the past three trading days to one of 21.1.

The best performers in the heavyweights were Vaal Reefs, 5 up to 279, and Southval, 3 better at 266, both of the division. The former closed 10p dearer after settling a 10p gain at 266p. Other miners fared 10 to 240p on the day, with some irregular movements. Northern improved 4 to 185p xd and S. W. Beriford hardened 3 to 161p. Elsewhere, Amos Hilton firms 5 more to 325p awaiting news of the merger approach, but Hillards shed 6 to 204p following the annual results. Fyke Holdings, a good market on Friday, lost 7 to 243p on profit-taking. Hawley relinquished 4 to 60p

and Hawley relinquished 4 to 60p.

UK domiciled Financials provided an exceptionally firm feature in Charter Consolidated which surged ahead in afternoon trading to close a net 17 higher at 212p, despite adverse Press comment.

The best performers in the business centres of the following major cities:

AMSTERDAM — ANTWERP — ATLANTA — BOMBAY — BONN — BOSTON — BRUSSELS — COLOGNE — COPENHAGEN — DALLAS — PARIS — DUBLIN — FRANKFURT — GENEVA — GENT — GOETHEBORN — HAMBURG — HONG KONG — JAPAN — KUALA LUMPUR — LOS ANGELES — LUGANO — LUXEMBOURG — LYON — MADRID — MALMO — MANILA — MELBOURNE — MEXICO CITY — MIAMI — MONTREAL — MUNICH — NEW YORK — OSLO — PARIS — PORTO — ROTTERDAM — RUSSELHEIM — SAN FRANCISCO — SINGAPORE — STOCKHOLM — STUTTGART — SYDNEY — TAIPEI — TOKYO — TORONTO — Utrecht — VIENNA — WASHINGTON

For information contact:

Financial Times, Guillenstrasse 64, 600 Frankfurt am Main, W. Germany

Tel: 061/75980 — Telex: 416 193

or Financial Times

14 East 60th Street

New York, NY 10022

Tel: (212) 752 4500

Telco: 238405 FTOL UI

TOTAL VOLUME IN CONTRACTS 11,066

A=Ask B=Bid C=Call P=Put

after cautious comment. Revived speculative buying lifted Hollis Bros. 7 to 49p and Gestetner A improved a few pence to 85p on market last week following rumours of liquidity problems. Jardine Matheson rallied 7 to 55p. Among the steader leaders, Pilkington gained 10 to 245p in response to Press comment.

Motor sectors remained irrevocable. Among Components, Lucas dipped 6 more to 170p, to 160p, and Western Mining a couple of pence to 162p. The more speculative issues provided a firm spot in Listed Goldfields, 4 up at 34p.

Quicker conditions prevailed in Traded Options and total contracts traded up 1 to 200p. The more speculative issues provided a firm spot in Listed Goldfields, 4 up at 34p.

Quieter conditions prevailed in Traded Options and total contracts traded up 1 to 200p. The more speculative issues provided a firm spot in Listed Goldfields, 4 up at 34p.

Last week's disappointing interim statement continued to prompt dealers to 180p. The latest news which raised 51p to 415p xd, Mail A declined 28 to 880p xd. Elsewhere, Hunterpoint, deal in the USA, advanced to 6 to 171p in response to the 20 per cent expansion in first-half profits and the confident trading outlook.

Leading Properties made modest progress on small buying. In Scotland, Edinburgh Edged up 1 to 185.8, while Capital and Counties also rose 4 to 188p; the 84 per cent convertible moved up 3 points to 25 premium. Among secondary issues, London and Edinburgh revised with a gain of 6 to 185.8, while Edinburgh Edged up 1 to 185.8.

Properties made modest progress on small buying. In Scotland, Edinburgh Edged up 1 to 185.8, while Capital and Counties also rose 4 to 188p; the 84 per cent convertible moved up 3 points to 25 premium. Among secondary issues, London and Edinburgh revised with a gain of 6 to 185.8, while Edinburgh Edged up 1 to 185.8.

Properties made modest progress on small buying. In Scotland, Edinburgh Edged up 1 to 185.8, while Capital and Counties also rose 4 to 188p; the 84 per cent convertible moved up 3 points to 25 premium. Among secondary issues, London and Edinburgh revised with a gain of 6 to 185.8, while Edinburgh Edged up 1 to 185.8.

Properties made modest progress on small buying. In Scotland, Edinburgh Edged up 1 to 185.8, while Capital and Counties also rose 4 to 188p; the 84 per cent convertible moved up 3 points to 25 premium. Among secondary issues, London and Edinburgh revised with a gain of 6 to 185.8, while Edinburgh Edged up 1 to 185.8.

Properties made modest progress on small buying. In Scotland, Edinburgh Edged up 1 to 185.8, while Capital and Counties also rose 4 to 188p; the 84 per cent convertible moved up 3 points to 25 premium. Among secondary issues, London and Edinburgh revised with a gain of 6 to 185.8, while Edinburgh Edged up 1 to 185.8.

Properties made modest progress on small buying. In Scotland, Edinburgh Edged up 1 to 185.8, while Capital and Counties also rose 4 to 188p; the 84 per cent convertible moved up 3 points to 25 premium. Among secondary issues, London and Edinburgh revised with a gain of 6 to 185.8, while Edinburgh Edged up 1 to 185.8.

Financial Times Tuesday July 17 1984

INDUSTRIALS—Continued

High Low	Stock	Price	+ or - or Movt.	Net Cw/ Gp/Op	Ytd Movt.	Rep. Low	Stock	Price	+ or - or Movt.	Net Cw/ Gp/Op	Ytd Movt.	Rep. Low	Stock	Price	+ or - or Movt.	Net Cw/ Gp/Op	Ytd Movt.	
45	Marine Up.	35	-1	1.0	0.1	155	Mengen Ag M 100	120	-1	0.75	1.3	10.0	140	Menarik	120	-0.75	0.9	12.7/14.5
24	Marinefors D.O.	125	+2	0.1	0.1	156	Medmeyers 100	125	-1	1.4	2.1	10.5	140	Met & NY Trust	125	-1.4	-1.1	4.4
42	Magnolia Corp.	42	-2	2.2	2.1	171	Mens World 100	160	-1	3.0	3.5	2.5	146	Mester Estates	120	-2.0	-1.2	-1.7
64	Magnus Ind 100	100	-1	1.2	1.1	167	Meyer Corp 100	120	-1	1.0	1.2	1.0	140	Metlife Corp 100	120	-1.0	-1.1	-1.1
25	Magnus Ind 100	100	-1	1.2	1.1	170	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	171	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	172	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	173	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	174	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	175	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	176	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	177	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	178	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	179	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	180	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	181	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	182	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	183	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	184	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	185	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	186	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	187	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	188	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	189	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	190	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	191	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	192	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	193	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	194	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	195	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	196	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	197	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	198	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	199	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	200	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	201	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	202	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	203	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	204	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	205	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	206	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	207	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
45	Magnus Ind 100	100	-1	1.2	1.1	208	Meyer Ind 200	110	-1	0.5	0.9	2.4	145	Metlife Corp 100	120	-0.75	-0.75	-0.75
4																		

**AUTHORISED
UNIT TRUSTS**

Abbey Unit Trst. Mgmt. (a)
1-14 Finsl Chancery EC4P 4DA 01-246 1611

High Income
Soc. Inc. Fund 110.0 110.0
High Inc. Units 110.0 110.0
Capital Growth
Accrued Interests 10.0 10.0
Accrued & Dividends 10.0 10.0
Accrued Dividends 10.0 10.0
General 10.0 10.0
Int. Growth 10.0 10.0
Int. Growth 10.0 10.0
U.S. & Emerging 10.0 10.0
Workforce Fund 10.0 10.0
Equity Fund 10.0 10.0

Affinity House
10.0 10.0

Allied Unit Trusts Limited (a)(g)

Allied Handels House, Hutton, Estates

Brentwood 10272 211459 2-2913

Balanced Trusts

First Trust

Global Investors 10.0 10.0

Capital Fund 10.0 10.0

Accrued Accrued 10.0 10.0

Accrued

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
100 St George's Rd, London SW1X 8AA
Tel: 01-440 8210

National Provident Institution
Great Northern St, EC1P 3HN.
01-423 4200

Sel Soc A

US Equity

America Fund

Guaranteed May

Investment

International

Pension Fund

Equity Fund

COMMODITIES AND AGRICULTURE

Copper stocks fall further

BY JOHN EDWARDS, COMMODITIES EDITOR

THE DECLINE in copper stocks held in the London Metal Exchange warehouses accelerated sharply last week.

Figures issued by the LME yesterday showed that copper stocks fell by 16,000 tonnes, reducing total holdings to 206,325 tonnes — the lowest level since November, 1982.

In January this year copper stocks reached a five-year peak of 435,975 tonnes, but they have fallen steadily ever since.

However, last week's fall in stocks had little impact on market prices yesterday. High grade cash copper was only firm up at £1,013.5 a tonne, with the market closing at the lowest for the day.

Traders said the stocks fall was in line with expectations and had already been discounted by the rise in prices last week.

At the same time the market was put under pressure by the failure of gold to sustain its early rise and by some Americans calling late in the day forecasts of increasing U.S. interest rates.

Nevertheless underlying sen-

timent in the market will undoubtedly be strengthened by the substantial fall in stocks, especially as it is believed recent buying in China will reduce warehouse holdings still further in the next few weeks.

Zinc stocks were also sharply down, falling by 3,325 tonnes to 60,125 tonnes. The decline encouraged speculative buying interest in the belief that a renewed squeeze on immediately available supplies could develop again.

Cash zinc was £13 at £639 a tonne, while the three-months quotation gained £9.75 to £645.5.

Meanwhile, several other producers formally confirmed a reduction in their European list price from \$1,040 to \$990 a tonne, still well above the LME's value.

Lead prices moved up yesterday, in spite of warehouse stocks falling by only 225 tonnes to 65,275 tonnes. Cash lead, which gained £1.5 to £387.5 a tonne, remains at a premium over the three-months quotation and the present squeeze on spot supplies is expected to tighten further in the next month or so.

Nickel stocks were down by 162 tonnes to 23,520 tonnes; tin

by 350 tonnes to 26,475 tonnes and LME silver holdings by 10,000 ounces to 49,594,000 ounces. Lower nickel and tin prices reflected the firm trend in the value of sterling.

Aluminium stocks were the only ones to rise, moving up by 2,270 tonnes to 144,925 tonnes.

The stock increase, reversed the recovery in aluminium prices, staged late last week following announcements of production cuts. After opening higher, prices fell to close virtually unchanged at the lows of this week.

John Wicks in Zurich writes: There should be an increased demand for platinum in the long term, according to a report published by Credit Suisse.

The bank says that a shadow has been cast on the market by the difficulties of EEC countries in agreeing on joint action to reduce motor vehicle emissions and introduce lead-free petrol.

However, higher demand for platinum for catalyst use is seen as likely to arise from the probability that West Germany and Britain will follow the example of Switzerland, Austria and Scandinavia in this field.

World exportable production

(total production less domestic consumption) for 1984-85 is put at 70,400 bags up from 69,400.

Total exports are expected to

increase by 1.5m bags to 87,800 in 1984-85 and world stocks are projected to rise 3.2m bags to nearly 50m by the end of that season.

The report notes, however, that the stocks total may include substantial quantities of coffee which fall short of exportable quality.

Brazilian coffee-growing areas should remain free of frost for the next few days at least, according to Accu-Weather of the U.S. a private forecasting organisation.

It expects night-time temperatures to remain at or above 50 degrees F.

It claims it would be much

less costly to scale down the surpluses and buy elsewhere.

There is no global food shortage, according to the report.

"As EEC and American sur-

pluses pile up, the hunger problem in the developing countries increases because the money needed to move surpluses to the areas of desperate need is not forthcoming."

Agra Europe argues that

current world grain production

is sufficient to feed 1.6bn more people than now inhabit the globe if only surpluses could

Nearby cocoa values slip

Dock strike may hit grain sales

BY A SPECIAL CORRESPONDENT

A PROLONGED British dock strike could snarl up hundreds of thousands of tonnes of UK cereal exports and pose a long-term threat to sales opportunities, according to grain broker sources.

"The strike could not have happened at a worse time," said one ex-farm source. He pointed out that growers have to shift a certain amount of their crops off-farm in the next few weeks.

A record harvest of wheat and barley is expected, and export-oriented producers and their merchants can ill-afford to have grain piling up.

Traders warn that even a two- or three-week strike could wreak long-term damage on sales prospects to the North Africa and Middle East markets, which account for almost 15m tonnes of barley sales and several hundred thousand tonnes of Britain's wheat exports.

One source pointed out that once lost, these "esoteric" markets were hard to recapture because of intense competition—not just from other EEC exporters but also from third country sellers including the U.S. and Canada.

The EEC wants the present buffer stock system to be backed up by market withdrawal when a price stabilisation pact takes effect towards the end of next year.

DAIRY farmers in Britain are switching to beef production in large numbers because of EEC cuts in milk production, according to the Milk Marketing Board. Figures released by the board yesterday show that the number of dairy breed first inseminations it carried out in April-June fell by 41 per cent to 154,810 over last year's figure, while beef breed inseminations rose by 23 per cent to 183,380.

PHILIPPINES sugar production in the crop year to July 1 was 2.16m tonnes against a total output in 1982-83 of 2.45m tonnes, the Philippine Sugar Commission said.

AUSTRALIAN Wheat Board raised its 1984-85 wheat crop forecast to more than 15m tonnes from 14.1m predicted earlier, selling while the rise in starting left forward standard TIN at \$930.5.

Currencies and the rise in stock left ALUMINIUM at £121.5.

Gold troy oz... £140.50 +0.75 £150.50

Precious metals... £120.00 +0.75 £120.50

Gold troy oz... £74.05 +0.75 £75.50

3 mths... £278.67 +10.12 £287.35

Nickel... £630.50 +0.50 £630.50

Free MKS... £207.22/27.00

Palladium oz... £140.50 +0.75 £150.50

Platinum oz... £140.50 +0.75 £150.50

Gold bullion... £630.50 +0.50 £630.50

Silver troy oz... £574.05 +0.75 £575.50

3 mths... £278.67 +10.12 £287.35

Nickel... £630.50 +0.50 £630.50

Free MKS... £207.22/27.00

Lead... £18.50 +0.50 £19.00

Aluminium... £110.00 +0.50 £110.50

Gold bullion... £630.50 +0.50 £630.50

Silver troy oz... £574.05 +0.75 £575.50

3 mths... £278.67 +10.12 £287.35

Nickel... £630.50 +0.50 £630.50

Free MKS... £207.22/27.00

Tin cash... £541.50 +0.50 £542.00

3 months... £545.50 +0.50 £546.00

Tungsten... £545.50 +0.50 £546.00

Wolfram... £545.50 +0.50 £546.00

Smiths... £545.50 +0.50 £546.00

Producers... £540/1840 +0.50 £540/1840

Gold bullion... £630.50 +0.50 £630.50

Silver troy oz... £574.05 +0.75 £575.50

3 mths... £278.67 +10.12 £287.35

Nickel... £630.50 +0.50 £630.50

Free MKS... £207.22/27.00

Lead... £18.50 +0.50 £19.00

Aluminium... £110.00 +0.50 £110.50

Gold bullion... £630.50 +0.50 £630.50

Silver troy oz... £574.05 +0.75 £575.50

3 mths... £278.67 +10.12 £287.35

Nickel... £630.50 +0.50 £630.50

Free MKS... £207.22/27.00

Tin cash... £541.50 +0.50 £542.00

3 months... £545.50 +0.50 £546.00

Tungsten... £545.50 +0.50 £546.00

Wolfram... £545.50 +0.50 £546.00

Smiths... £545.50 +0.50 £546.00

Producers... £540/1840 +0.50 £540/1840

Gold bullion... £630.50 +0.50 £630.50

Silver troy oz... £574.05 +0.75 £575.50

3 mths... £278.67 +10.12 £287.35

Nickel... £630.50 +0.50 £630.50

Free MKS... £207.22/27.00

Lead... £18.50 +0.50 £19.00

Aluminium... £110.00 +0.50 £110.50

Gold bullion... £630.50 +0.50 £630.50

Silver troy oz... £574.05 +0.75 £575.50

3 mths... £278.67 +10.12 £287.35

Nickel... £630.50 +0.50 £630.50

Free MKS... £207.22/27.00

Tin cash... £541.50 +0.50 £542.00

3 months... £545.50 +0.50 £546.00

Tungsten... £545.50 +0.50 £546.00

Wolfram... £545.50 +0.50 £546.00

Smiths... £545.50 +0.50 £546.00

Producers... £540/1840 +0.50 £540/1840

Gold bullion... £630.50 +0.50 £630.50

Silver troy oz... £574.05 +0.75 £575.50

3 mths... £278.67 +10.12 £287.35

Nickel... £630.50 +0.50 £630.50

Free MKS... £207.22/27.00

Lead... £18.50 +0.50 £19.00

Aluminium... £110.00 +0.50 £110.50

Gold bullion... £630.50 +0.50 £630.50

Silver troy oz... £574.05 +0.75 £575.50

3 mths... £278.67 +10.12 £287.35

Nickel... £630.50 +0.50 £630.50

Free MKS... £207.22/27.00

Tin cash... £541.50 +0.50 £542.00

3 months... £545.50 +0.50 £546.00

Tungsten... £545.50 +0.50 £546.00

Wolfram... £545.50 +0.50 £546.00

Smiths... £545.50 +0.50 £546.00

Producers... £540/1840 +0.50 £540/1840

Gold bullion... £630.50 +0.50 £630.50

Silver troy oz... £574.05

INTERNATIONAL CAPITAL MARKETS

This announcement appears as a matter of record only. July 1984

Dyno Industrier A-S



and the management of
IRECO Chemicals

have acquired

IRECO Chemicals

from

**Gulf Resources &
Chemical Corporation**

The Bank of America Mergers and
Acquisitions Group acted as financial advisor
to Dyno Industrier A-S

BankAmerica
Capital Markets Group
Bank of America NTS&A

FIGHT BIG BROTHER 1984 IS HERE.

ARE YOU BUGGED?

The E17 has a tiny red light that lets you know if there is a transmitter or "bug" in your presence. This ultra miniaturized system fits in your pocket to protect your privacy everywhere!



ARE YOUR PHONES TAPPED?

Protect the privacy of every telephone conversation. The Tap Alert B 409 checks your telephone 24 hours a day to detect wiretaps and telephone bugs. A flashing red light will warn you day or night if your privacy is in danger.

For further information contact Mr. Allyn at:
CCS Communication Control Systems Ltd.
62 S. Audley St., London W1 Tel. (01) 629-0223 TX. 8814709

This announcement appears as a matter of record only.

SAAB-SCANIA
Saab-Scania AB
(Incorporated in the Kingdom of Sweden with limited liability)

**Secondary placing of 500,000 'A' Free Shares
to realise £24 million equivalent**

Enskilda Securities
Skandinaviska Enskilda Limited

Credit Suisse First Boston Limited

Dillon, Read & Co Inc

Brokers to the placing

Cazenove & Co.

June 1984

This announcement appears as a matter of record only

MARQUIS HOTELS LIMITED PARTNERSHIP

announces that it has acquired and is refurbishing

THE LONDON MARRIOTT HOTEL
Grosvenor Square
London

MARRIOTT'S PRINCE DE GALLES
Avenue George V
Paris

at a total cost of

£34,000,000

The hotels continue to be operated by subsidiaries of Marriott Corporation on behalf of the Partnership

The following are the limited partners in the
MARQUIS HOTELS LIMITED PARTNERSHIP

Marriott UK Holdings Limited
County Bank Limited

Investors in Industry Group

Arbuthnot Latham Bank Limited

Long Term Loan Finance of £15,000,000 has been provided to
MARQUIS HOTELS LIMITED PARTNERSHIP by

County Bank Limited

Investors in Industry plc

Throughout this transaction Marriott Corporation retained
Arbuthnot Latham Bank Limited

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for July 16.

U.S. DOLLAR

STRAIGHTS

Issued

Change on

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told

Yield

Average price change on day +0/-0 on week +0/-0

Offer

day

week

Told